

## Media Statement by the Honourable Jeff Radebe, Minister of Energy on the Independent Power Producer Programmes

**13 March 2018**


1. On 8 March 2018, I announced that the Power Purchase Agreements and Implementation Agreements of the 27 Renewable Energy Independent Power Producer Projects (REIPPP) under Bid Window 3.5 and Bid Window 4 will be signed on 13 March 2018.
2. On the evening of Monday, 12 March 2018, two non-governmental organisations, Transform RSA NPC and National Union of Metal Workers of South Africa (“NUMSA”) approached the High Court, Pretoria on extreme urgent basis, and on a mere one hour notice to the Minister and Eskom as respondents. It is an order interdicting and restraining Eskom from concluding the twenty seven renewable energy Independent Power Producer Projects (“IPP”) including the power purchase


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agreements with Eskom, pending finalisation of the application instituted under case no. 42887/2017. Both the Minister and Eskom opposed the application which was argued until after 11pm.


3. After arguments were concluded, the Court refused to grant an interim interdict against Eskom or the Minister but instead postponed the matter to 27 March 2018, with the responding parties to file their answering papers by 20 March 2018 and the applicants' parties to file their replying papers by 22 March 2018.
4. In the absence of an interdict, and with the Court having expressly informed the parties at Court that it would not grant such an order, nothing prevented Eskom and IPPs from signing the agreements as scheduled by me for Tuesday, 13 March 2018. However, counsel for the Minister, informed the Court that whilst there is no interdict granted, the signing will however be postponed until the 27 March 2018 when the matter is finally disposed of in Court.


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5. This undertaking was made voluntarily on behalf of the Minister in the spirit of constitutionalism and the rule of law. As a result, the signing will proceed on a date to be announced immediately after the 27<sup>th</sup> of March 2018. The reports in the media that an interdict was granted are therefore not true.
6. The Department of Energy will continue to vigorously defend the right of consumers in our country to have access to cost efficient clean energy that bring much needed investment in South Africa as well as jobs (especially for women and the youth) and small business entrepreneurial opportunities in our rural communities. This will also ensure opportunities for economic transformation and access to mainstream economy.
7. As a reminder of the benefits of the REIPPPP, herewith some facts contained in my media statement of 8 March 2018.
  - a) This initiative will enable R56 billion of new investment in the economy over the next 2 to 3 years, which will


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immediately contribute to growth in the economy supporting the already positive achievement of 3.1% GDP growth in the quarter four.


- b) This programme, as well as the proposed future initiatives, will have a significant contribution in job creation across the energy value chain including the re-establishment of industrial development and support to the technical training of young people to be absorbed in the labour market.
- c) The usage of different types of energy supply, which includes renewable forms of power generation, is in line with the energy policy. This aligns with the commitment made in Paris as it relates to reduction of carbon emissions, whilst complying with the South African environmental standards.
- d) These programmes will contribute towards competitive market pricing of electricity, both for the household consumer as well as for industrial usage. This will be achieved firstly through the mere entrance of new and


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efficient market participants and secondly through the variety of sources for electricity generation. Lower electricity prices such as what we are experiencing with renewable energy generation will assist indigent households to cope with the rising cost of living.


- e) In a nutshell, these projects will provide 61 600 full time jobs of which 95% is for SA citizens, mostly during plant construction specifically with a focus on youth employment. Northern Cape will have 59% of the jobs created, followed by Eastern Cape with 15% and North West 13% of jobs created.
- f) The Renewable Energy Programme has empowered South Africans to own on average 48% of the equity in all of the Independent Power Producers (IPPs) projects. About 25% of the project equity is owned by foreign investors acting as a catalyst by providing investment and skills transfer to the establishment of the new green economy while enhancing opportunities for economic


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transformation of which the outcomes could clearly be seen in Bid Windows 3.5 and 4.

8. The Government of South Africa reconfirms its commitment to a solid public-private partnership as we pursue our energy transition objectives of the future as well as a better life for all.
9. We would like to thank our private sector partners for supporting South Africa with its economic transformation agenda.

For media interviews, please contact Ms Lerato Ntsoko on [lerato.ntsoko@energy.gov.za](mailto:lerato.ntsoko@energy.gov.za) or 082 459 2788.

THANK YOU


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