

Investment in energy sector will contribute to economic development

Investment in the renewable energy sector will contribute to South Africa's economic development and growth, Energy Minister Dipuo Peters said on Tuesday.



(Image: GCIS)

"Investments we make in the renewable energy sector, at both the primary generation and secondary manufacturing levels, will undoubtedly contribute to economic development and growth, as well as much needed job creation," she said.

Peters was speaking at the sod turning ceremony of Lesedi Solar Photovoltaic Power Park in the Northern Cape.

Lesedi Power was successful in its bid to the department's development of a 75MWDC/ 64MWAC solar photovoltaic park. The project entails the development, design, construction, financing and operation of a solar photovoltaic park near Postmasburg, with an installed capacity of 75MWDC.

This was in response to the request for proposals for new generation capacity under the Renewable Energy Independent Power Producers (REIPP) procurement programme.

South Africa wants to procure 3,625MW of renewable energy through this process.

According to the Integrated Resource Plan (IRP2010) - which is a 20-year projection on electricity supply and demand - about 42% of electricity generated in South Africa is required to come from renewable resources.

Peters said that in order to alleviate poverty and create decent and sustainable jobs, South Africa needed to stop being consumers of imported products and start innovating and locally manufacturing homemade products, especially in areas where it is possible and cost effective to do so.

Employment boost

"Based on the business models and information received from successful developers in windows one and two [of the programme], we project around 14,500 jobs to be created during construction of the facilities in the Northern Cape and about 600 direct permanent jobs during the operation period of the plant, and about 25 direct permanent jobs during the operation," she said.

This excludes jobs created indirectly in the local community due to additional economic activities.

REIPP has deliberately been designed in a way that is biased towards local economic development.

"Basically, we seek to achieve skills transfer, community upliftment and local procurement from and support for small local enterprises in our infrastructure development programme," she said, adding that Lesedi was already becoming part of the Tsantsabane Community.

"This area is known [as being] a jobless community without hope or a future vision. We trust that this partnership will assist to contribute to alleviating the widespread poverty and hopelessness in this area, and will contribute to rejuvenate not only Postmasburg, but also the areas around it."

South Africa is among the 14 high emitters of "carbon dioxide equivalent" in the world.

Currently, almost 95% of South Africa's electricity is generated from coal-fired power plants, although South Africa receives more than 2,500 hours of sunlight a year - which is twice more than most parts of Europe.

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