

## Coega critical to SA's gas localisation programme

Last week, minister for energy, Tina Joemat-Pettersson [outlined the country's gas policy](#), saying the department "will make a preliminary information memorandum on the gas-to-power programme available to the market in the second quarter of the 2016/2017 financial year". This, the minister explained, will lay the foundation "prior to commencing with the formal procurement process late in the year".

The minister also said that the Port of Ngqura – adjacent to the Coega IDZ, is one of the potential ports considered for the implementation of the gas-to-power programme.



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### Ramping up plans for hub

This week, the MEC for economic development, environmental affairs and tourism (EDEAT) in the Eastern Cape – Sakhumzi Somyo, jumped on the bandwagon, explaining the province's approach to the gas-to-power programme.

"The Eastern Cape's plan to host a gas-to-power hub is well advanced with Coega IDZ now clearly the province's preferred location for the development," says Somyo.

"This pronouncement sets the scene for the Eastern Cape to ramp up its plans to become the epicentre of the hub."

### Game changer

"The province's potentially "game-changing" shale gas reserves, extensive oil and gas exploration opportunities off its coast, the world-class Ngqura port which could be used to leverage gas imports and exports, as well as the conversion of the Dedisa power plant at Coega," adds Somyo.

The Coega Development Corporation (CDC) has over a period of years worked hard to locate the liquid natural gas (LNG) facilities and gas-to-power plant in the Coega IDZ and Port of Ngqura.

“The power generated by the LNG integrated combined cycle gas turbine (CCGT) plant would satisfy the bulk of the Eastern Cape’s electricity requirements, assisting with the stabilisation of electricity in the region and would create over 1,000 jobs, as well as support the manufacturing hubs of the province,” explains Sandisiwe Ncemane, CDC project development manager: energy projects.

### **Preliminary work completed**

“Coega, as the preferred site for the gas-to-power hub, has led the charge and continues to press ahead with preparations, having undertaken environmental studies for four sites which it has identified for a power plant and land-based liquid natural gas (LNG) terminal, amongst others,” adds Somyo

“It has also completed the preliminary work for a CCGT power project in the IDZ which entails the LNG facilities and gas-to-power plant.”

The economic spin offs for the province are considerable. A study by DEDEAT conservatively estimates that 8,400 jobs will be created in the construction phase; and another 150 during the operational phase of the gas-to-power plant - a lifespan which is conservatively put at 30 years.

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