

News Bulletin

Monday 5th October 2015



Opening Addresses

The conference was formally opened by Mr Arthouros Zervos, Chair of REN21. Keynote speakers included the German Ambassador, the Director-General of the International Renewable Energy Agency (IRENA) and South Africa's Minister of Energy, Ms Tina Joemat-Pettersson. Central messages emerging from the keynote addresses included the phenomenal growth in the renewable energy sector for the last five years, which has led to the first signs that global economic growth can be decoupled from GHG emissions. Sustainable Development Goal 7: "to ensure access to affordable, reliable, sustainable, and modern energy for all" is critical to Africa's development and renewable energy will be key to realising this goal. Renewable energy is not only about reducing carbon emissions, but is about improving people's lives.

High-Level Panel Discussions

The core conference themes were further developed in two high-level panel discussions held in plenary.

Sustainable Energy for All

Africa still needs to build 2/3rds of the generating capacity to address its energy needs and can therefore benefit from new technologies. Bringing energy to the rural poor is a priority. Renewable energy access and energy efficiency need to be looked at together - energy saved is also energy produced. A key theme emerging from this session is the need for holistic approaches that leverage the inter-linkages between renewable energy, water, food and health to place renewable energy at the centre of the development agenda. Energy access is not just about consumption – rural areas can supply power to cities, but we need enabling policy and regulatory frameworks that facilitate private sector involvement to accomplish this.

Transitioning to Renewables

Enhanced domestic policy and coordinated action can put renewables growth on track to meet climate goals. South Africa's successful REIPPP programme, developed with support from GIZ, can be used as a template by other African countries in the near term. Germany's experience suggests that renewables have proven to be cheaper than fossil fuels and nuclear, but require integrated grid management. The IEA presented its *Medium-Term Renewable Energy Market Report 2015*. The report assesses trends in RE development, identifying drivers and challenges to deployment, and making projections through 2020 in electricity, transport and heat sectors. www.iea.org.



The plenary panel discussions unpacked the conference themes

Side Events

Over 14 side events were held on Monday. During the lunch break, WWF and REEEP hosted a thought provoking discussion on the future of renewable energy in Africa. The renewable resources and energy need certainly exist, but challenges in creating "sustainable virtuous cycles" persist based on the need for long term policy stability informed by sound data. Achieving scale is critical to financing renewable energy projects and can be driven by innovative strategies such as grouping small-scale projects, maximising productive applications for energy, and ensuring regional integration. A more level playing field for renewables in the energy market needs to be created by pricing carbon, including social and environmental externalities in energy costs – and removing fossil fuel subsidies.

Exhibition

The conference exhibition proved popular, with delegates taking a break from the main proceedings to ride electric bicycles powered by the energy-dense modular battery systems being developed by the Energy Storage Innovation Lab of the University of the Western Cape: just one of the fascinating exhibits at Department of Science and Technology's stand. The City of Cape Town's exhibition stand is a great place to find out about their implementation of feed-in tariffs for home-owners and businesses. NERSA is building on Cape Town's experience to develop municipal guidelines that promise to boost small-scale renewables.

IRENA's stand is also well worth a visit. IRENA's REmap 2030, (a renewable energy roadmap) provides a realistic plan for doubling the share of RE in the world's energy mix from 2010 to 2030. It can be accessed at: www.irena.org/remap/.

News Bulletin

Monday 5th October 2015



Parallel Sessions

Parallel sessions looked in detail at the challenges and opportunities for renewables.

African Interconnectivity

The regional interconnectivity initiative can support the transition to a low carbon economy by creating a larger power pool to unlock investment to meet Africa's power needs. Guidelines for national regulators have been formulated to reduce barriers to interconnection and a regional grid code is being drafted. An independent power producer framework has also been developed with the help of the United States. The EU has assisted in preparing guidelines for mini-grids. Challenges to interconnectivity include: unbankable projects, project preparation, the inability to secure PPAs, inter-working between countries and getting the private sector on board. Funding is not a barrier.

Regulatory Frameworks

Enabling regulatory frameworks for renewable energy provide clarity that supports competitive bidding, in turn yielding reduced costs. Coupled with strategic planning of the energy mix, this improves energy security. Clear pricing and tariff regulations attract the private sector by reducing risk. Investor security and confidence can be created by cost recovery rules and planning a price path. Licencing attached to conditions which support partnerships helps ensure projects are bankable. In developing countries regulatory frameworks should encourage local participation

Socio-economic Development

The roll-out of renewable energy technology has good potential to assist countries with their socio-economic development agendas but it will not happen by chance. The value chain can be locally developed by regulating local procurement, maintenance and operating quotas and monitoring their implementation. Jobs in the RE sector have doubled in 5 years to 7.7 million people, with roof-top solar installation and maintenance being a particularly significant job creator. Renewable energy uses less water than other energy sources, freeing water for human, food and biodiversity use. The water, energy and land nexus is useful for demonstrating the linkages between RE and socio-economic development.

Road to COP21

The inclusion of non-state actors in COP21 differentiates it from COP15 (Copenhagen). Non-state actors have driven the unprecedented growth in renewable energy, particularly in

developing countries. COP21 needs to produce an agreement that is binding and actionable and commits countries to coherence, co-ordination and co-operation in transitioning to renewables.

Energy Access

1.2 billion people around world have no access to energy. Moreover there is a strong correlation between energy access, economic growth, employment and poverty eradication. The Sustainable Development Goal 7 goal is for access to sustainable, reliable, affordable and modern energy by 2030. The issue of energy access is also an issue of social equity. Achieving SDG 7 will require strategic master plans and regulatory frameworks at global, regional and national levels. Conventional planning for energy has failed and Africa needs to look at alternative distribution methods. This should include common definitions of energy access to guide policy and frameworks across the continent of Africa. Energy access to women is important. Achieving the 2030 goal will require a focus on off-grid energy.

Finance Mechanisms

Renewables are no longer a niche market but an important business with more investment than traditional energy sources. Private finance is not the bottleneck; scarcity of bankable projects is. Additional due diligence also adds costs. REIPPP was a success because the DOE team was instrumental in getting Treasury, Eskom, the DFIs and private banks to work together in building a functional programme.

Skills Development

South Africa has set up a renewable energy training centre (SARETEC) which works with the private sector and the existing training institutions. It is accredited by the Education Department to give renewable energy skills training. SARETEC is beginning to assist with setting up additional training centres in other African countries. It is not the role of the private sector to "improve" the existing education system, but the private sector can set up bursary schemes and fund training.

Gala Dinner

The Lookout on the Waterfront was the venue of the Gala Dinner. Minister Tina Joemat-Pettersson spoke, reiterating South Africa's commitment to growing RE, and citing the DoE's newly launched publication, *State of Renewable Energy in South Africa*. The evening ended with lively music by Three Tonnes of Fun and dancing guests.

Download the **daily news bulletin**: www.sairec.org.za.

