

## **Gas – the game changer for Southern Africa?**

On Wednesday 21<sup>st</sup> May at the Glen hove Conference Centre the Fossil Fuel Foundation will again be hosting a topical and possibly controversial conference. Aptly titled 'Gas – the game changer for Southern Africa?' the conference promises to offer well researched information on a challenging issue.

Natural gas, shale gas, coal bed methane (CBM), underground coal gasification (UCG) and liquid petroleum gas (LPG) all offer alternative energy sources to coal-fired power stations.

'The introduction of natural gas into South Africa's mainstream energy supply is an important step in the fulfilment of one of the major objectives of the White Paper on Energy Policy', reports the Dept of Energy.

The Development of South Africa's Gas Utilisation Master Plan is the keynote address from Karen Breytenbach of the Department of Energy. The role of gas-rich neighbouring countries, gas resources and the environment, pipe lines and LPG terminals are some of the options to be presented.

South Africa is currently a world-leader in developing the UCG technology which takes place in undisturbed coal seams and is the gasification of coal in-situ. The resulting synthetic gas (syngas) can be used as fuel for heating, power generation, hydrogen production, or the manufacturing of key liquid fuels such as diesel fuel or methanol. Mark van der Riet of the SAUCGA (South African Underground Coal Gasification Association) explores the potential, development and significance of UCG in South Africa.

A 1.3billion LPG terminal is already under construction in Saldanha Bay with commissioning due late 2015. The terminal is expected to cost a mere 3% of the total cost of the Medupi power station and potentially produce 1.5-million tons a year of LPG enabling lower-income households access to cleaner energy. Another plus is that it generates only 20% emissions compared to that produced by coal-fired power stations.

The shale gas jury is still out. While it could certainly boost investment, provide employment and jump-start our sluggish economy little is known about the potential environmental hazards. Until safeguards have been put in place and the extent of shale gas established, a thriving economy may be on hold.

'Increasing employment, poverty alleviation and raising the standard of living are three major policy objectives for the country, says Rob Jeffrey MD of Econometrix in one of the papers to be presented at the conference. Recent potential natural and shale gas finds have opened an immense game changing economic opportunity for the country and its people,' he explains.

'However', he warns, 'the future safety and integrity of gas and shale gas exploration and development in South Africa could be compromised by recent proposed amendments to legislation. The state right of additional purchases will be increased from 30% to 80% based on an 'agreed' price not necessarily the market value. This could deter competent investors with the necessary high levels of technical expertise.'

Reliable and competitively priced energy and electricity ensure South Africa's future prosperity. Will gas play a role in achieving this? Is there sufficient political will?

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Website: [www.fossilfuel.co.za](http://www.fossilfuel.co.za)

All wishing to attend this conference should contact the conference secretariat:

RCA Conference Organisers: [robbie@rca.co.za](mailto:robbie@rca.co.za) [events@rca.co.za](mailto:events@rca.co.za)