

Coega Commentary- Measures of Ensuring SA's Security in the Energy Supply

Port Elizabeth, 23 January 2020 – The Coega Development Corporation (CDC) welcomes the statements made by the Department of Mineral Resources and Energy (DMRE);

-to catalyze developments to ensure electricity and energy supply within the short and medium term -, as well as

-the release of the Request for Information (Rfi) for practical and least-possible-cost power generation options into the grid as rapidly as feasible.

In the context of the CDC, access to reliable and affordable energy is a critical enabler to drive industrialization and economic growth. To ensure a competitive investment location for its clients and future investors, the CDC has prioritized the provision of a stable, continuous energy supply and associated utility services. Furthermore, this advocates for the move towards a diversified energy mix to establish a well-integrated energy value chain, inclusive of electricity, liquid fuels as well as natural gas.

The CDC with a proven track record in delivering mega-projects, plays a pivotal role in advancing readiness for the realisation of various Energy projects in South Africa, comprising of production, generation, manufacturing as well as services.

The Coega Special Economic Zone (SEZ), includes world class infrastructure, extensive roof area and serviced land that is available to host various energy programmes, with spin-offs for other sectors;

Distributed generation solutions are rapidly providing an alternative for industries within the SEZ. Complementing this is the existing 48KW Solar Plant, which feeds power to the CDC head office. Leveraging the massive factory roof tops, the roll out of the Coega Solar Rooftop Programme will draw also from the innovative mechanisms available within the Nelson Mandela Bay Metro in order to address the short-to-medium term energy gap.

Embedded generation is a viable and attractive proposition in the Coega environment. Over the last decade, the Coega location has bolstered momentum to ensure it is the readiest site for an integrated gas-driven power solution, and as such has secured key pre-requisites that support development in the shortest time.

"Coega continues to undertake extensive technical readiness work for up to 3,000 MW of Gas-driven Power, which demonstrates our eagerness to advance readiness for SA's first LNG importation with the assistance of relevant stakeholders," said CDC Energy Sector Manager, Sandisiwe Ncemane.

The Eastern Cape Government continues to support this programme, with a detailed plan for a provincial gas economy, comprising market analysis, logistics studies, third party (small-scale) gas localization for SMMEs and Black Industrialists, and natural gas research and decision support.

Thus, the finalization of section 34 determinations will then set in motion the development of these impactful energy programmes, and to positively impact SA's energy landscape

Ms Ncemane noted the Coega SEZ as the most ideal location to unlock South Africa's diversified energy economy. "To advance this vision, the CDC continues to work hand in hand with the Eastern Cape Province, other state organs, and the private sector."

Integrated to the Liquified Petroleum Gas (LPG) value chain, MM Engineering, a gas cylinder manufacturer, led by a female, black industrialist is located in Zone 3 of the SEZ, within 5 km of the Port of Ngqura, where the liquid fuel tank farm is currently under construction. LPG will propel the regional gas market demand, and trigger inclusive gas localization.

"The CDC's initiatives over the years for diverse energy investments are towards achieving the government objectives of stimulating the South African Energy sector," concluded Ms Ncemane.