

Govt to open bid to procure additional renewable energy

Mineral resources and energy minister Gwede Mantashe on Tuesday, 16 May, told parliament that government will open a bid in July to procure additional renewable energy. Delivering his Budget Vote speech for the 2023/24 financial year, he said Bid Windows 7 and 8 will each give 5,000 megawatts (MW) of renewable energy.



Mineral resources and energy minister Gwede Mantashe. Source: Siphwe Sibeko/Reuters

“The requests for proposals for the procurement of this capacity will be issued to the market in the second and fourth quarter of this financial year respectively.”

In addition, he said the second and fourth quarters will see further requests for proposals for the procurement of battery storage with a capacity totalling 1,230MW.

In addition, according to Mantashe, a request for proposals for the procurement of gas-to-power, totalling 3,000MW, will be issued in the second quarter.

A bid for proposals for the procurement of 2,500MW of nuclear energy will be open in the fourth quarter.

To narrow the electricity supply and demand gap, Mantashe said his team would present an updated Integrated Resource

Plan (IRP) to cabinet soon. The 2019 IRP – the country’s blueprint policy for electricity generation – is currently under review.

“We intend to present the draft to cabinet in the second quarter of this financial year. Whilst this review is underway, we continue to procure additional electricity informed by the existing policy,” Mantashe said.



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Carien du Plessis 26 Apr 2023



Access to electricity

Shifting his focus to government’s programme to ensure universal access to electricity for poor households, he said the aim was to connect 917,000 households to the grid.

Of these, he said 673,946 households now have electricity, while the remaining 243,054 will be connected in this financial year.

“This achievement brings us closer to the United Nation’s Sustainable Development Goal (SDG) seven.”

Mantashe said government remained steadfast to realise this developmental agenda, despite 2023 being marred by domestic and global factors affecting the performance of the mining and energy industries.

Meanwhile, in line with the reform of the electricity sector, Mantashe announced that his department has amended the Electricity Regulation Act to enable the creation of the transmission systems operator (TSO).

Through the Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP) and the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), the Minister said government has procured 7 786MW through Bid Windows 4, 5 and 6.

In addition, he said 2,130MW is connected to the grid and the minister hopes that the 150MW and 784MW will be operationalised in November 2023 and August 2024, respectively.

“Notably, the single-most challenge we face to address the energy crisis is the grid unavailability. For instance, 3,200MW wind capacity of the 4,200MW, procured under Bid Window 6, could not be allocated due to grid unavailability.”

Mantashe stressed that grid availability is critical to securing electricity supply in the future.

“It impacts not only on the public procurement programmes but also on private embedded generation initiatives.”

Liquefied petroleum gas (LPG)

According to the minister, the demand for liquefied petroleum gas (LPG) has doubled in the last 10 years and is poised to grow more.

“LPG can reduce demand for electricity during peak hours, thereby minimising the severity of load shedding.

“We wish to encourage consumers to use this efficient source of energy for space heating.”



Ocean economy

The minister said government is working hard to attract investments in the oil and gas sector and bringing communities on board to see the benefit of this for development.

“In 2022, we undertook consultations in seven kingdoms and fishing communities in the Eastern, Northern, and Western Cape provinces.

“The consultations helped us appreciate real and prevailing sentiments about oil and gas developments. These sit in contrast to lobby groups, mostly foreign-funded, that pit the development needs of poor communities against their own self-serving, self-proclaimed protection of the environment,” Mantashe said.

He said litigation adversely affects South Africa’s economic development.

He cited ENI and Equinor that exited the South African market amid environmental, logistics and operating concerns.

“We have initiated engagements with the Department of Justice and Constitutional Development aimed at ensuring that our Constitution meets its inherent developmental mandate,” the minister said.

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