

A bright horizon for South Africa's energy landscape

By Barry Bredenkamp 7 Jan 2021

The recent history of South Africa's energy landscape has not been great. With poorly maintained infrastructure, delayed construction of new capacity, illegal connections and cable theft; news headlines on the topic of SA's electricity are rarely good.

However, despite the tough year 2020 has been, there are some good news stories on the horizon, driven by the Constitutional Court's decision on municipal use of renewable energy, and the opening of Bid Window 5 for the Renewable Energy Independent Power Producers Procurement Programme (REI5P). Here are my five energy predictions for 2021:

An even greater move towards renewable energy

2020 has been good for the renewable energy (RE) industry which will see an even greater drive and adoption of renewable technologies in 2021 and beyond. This is thanks to draft amendments to the Electricity Regulations Act on New Generation Capacity in May 2020 which stipulate that municipalities in good standing may purchase power directly from IPPs. Added to this, the industry is set to grow from the opening of REI4P Bid Window 5, as well as the commitment from the Department of Mineral Resources and Energy to work with energy producers to accelerate the completion of Window 4 projects. However, government and IPPs are not the only role-players here. Individual consumers are jumping on the bandwagon with solar PV installations to their homes and businesses, helping overcome the challenges of relying only on grid power. The writing is on the wall – we will see a large move towards renewable energy next year.



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A focus on demand-side energy management

While additional renewable energy capacity certainly assists on the supply side, it will be important for South Africa (both public and private) to consider their energy demand, to assess how best to optimise energy usage before installing an RE system. Failing to do so may mean installing a system that is bigger than necessary, wasting money as well as electricity. This means a greater drive for energy efficiency in 2021 amongst consumers, but also amongst municipalities who should consider the efficiency of their street lighting, water treatment plants and municipal buildings before procuring renewable energy. In this way, government can lead by example.



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The hydrogen economy

Crosscutting the above issues regarding green energy and energy efficiency, lies the hydrogen economy. There has been large-scale investment into and development of hydrogen fuel technology around the world. With South Africa being the largest producer of platinum – a vital part of hydrogen fuel cells – we have a vested interest in the development of this market. We also have great use-cases for hydrogen fuel technology in our country, for example with our rail network. With a history of cable theft from our trains, a hydrogen-fuelled rail system would not only be a clean, green transport solution,

but would stem the theft of overhead electrical infrastructure and ensure a more reliable rail network.

Digital technology, for real this time

For years, the energy industry has been abuzz with excitement over what digital technology may mean for energy consumption and monitoring. However, South Africa has historically been left behind in this technology adoption. Into 2021 and 2022, however, I predict that we will finally be in a better position to "leapfrog" and play catch-up in the transition to digital technology. This will be underpinned by the use of more energy-efficient technology with smart capabilities, enabling the optimisation of energy usage.



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Good news and great awareness

As the REI4P gains more investment in the country, I predict more good news stories about South Africa's energy transition as the private sector shows what it has to offer. It may take some time, but once our fellow South Africans and the wider international environment sees tangible progress in the successful building of renewable energy infrastructure, greater awareness of RE technology is sure to result. This will drive the move to RE, and will help overcome some myths about the technology, for example that it is inefficient and unsuited to complex applications. These myths will get busted as we see a reduced dependence on grid power.

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