

CLOSING REMARKS BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MR PV MKHATSHWA, MPL, ON THE OCCASION OF THE WRAP-UP OF THE ENERGY SUMMIT, DAY TWO HELD AT RIDGE HOTEL AND CASINO, eMALAHLENI, eMALAHLENI LOCA MUNICIPALITY

Wednesday, 25 May 2022

Programme Director;
Premier of Mpumalanga, Mrs Refilwe Mtsweni-Tsipane;
Executive Mayor of the host District Municipality;
Executive Mayor of the host Local Municipality;
Colleagues in the Executive Council;
Councillors present;
The Director General and Head Officials;
Representatives of organized Business and Environmental Protectionists;
Members of the media;
Ladies and Gentlemen;

Good afternoon!

Programme Director; as we close the Mpumalanga Energy Summit, which was characterised by robust engagements aimed at repositioning Mpumalanga *'the Province of the Rising Sun'* as the ultimate destination of energy generation and distribution in the discourse of **'Just Energy Transition'**, it is important to indicate that today we mark Africa Day, and undoubtedly, we will always remain indebted to the founders of the Organization for African Union (OAU), the now African Union, on their collective effort to establish a Union aimed at assisting Africa to re-imagine itself.

Over the last 2 days we have had a detailed and specific inputs from Academia, businesses, multiple layers of Government (**the triple Helix**) and community representatives from various backgrounds organizing in the energy sector.

These inputs have demonstrated the focus and opportunities that are available in Mpumalanga and how affected communities will be integrated in the entire Just Energy Transition value chain consistent with the apt and

coherent articulation of the President of the Republic of South Africa, that no one must be left behind.

Mpumalanga has always been the heartbeat of South Africa's Energy landscape. As there is increasingly a desperate need for new generation capacity to be added to the grid to combat load shedding. We heard from Eskom, technical experts and the private sector that Mpumalanga has three compelling advantages.

1) Mpumalanga has the human capital and technical capacity to embrace this change

2) Mpumalanga has great wind and solar resources

3) We have the grid and the ability to connect projects.

Mpumalanga has all these building blocks. By adding policy instruments like the REDZ (Renewable Energy Development Zone), the Renewable Energy Masterplan, Special Economic Zones and further skills development Mpumalanga has the opportunity to develop value chains into renewable energy and energy storage.

Programme Director; these policy perspectives and instruments will not be able to find sufficient expression and realize their intended objectives if they are not driven in a more coordinated approach, and it is for this reason we commit to use the **District Development Model** to pioneer these plans.

We heard from the **Co-benefits team** on the framing of opportunities for new technologies and for jobs in the energy transition as outlined below.

Consistent with the above, these are opportunities for new technologies, carbon capture and storage, hydrogen, clean aviation fuel were also highlighted. We can also see new technologies in our venue today. The electric vehicles in the room today were converted from internal combustion engines here in Mpumalanga. We heard about vanadium beneficiation that is already happening here in Emalahleni. South African vanadium mined is beneficiated and turned into energy storage.

Last night we launched the Mpumalanga Green Cluster Agency. This agency has already produced results and it must continue to spear-head

the conversation in the energy space and guarantee the involvement of the people who will be immediately affected by this seismic shift.

Please visit its website to look over the opportunities identified through the market intelligence reports.

The cluster is already working with the private sector to identify and remove barriers to over R75 billion worth of projects.

We heard from the Presidential Climate Change Coordinating Committee, the President's finance task team and the clear invitation to partner with the province. We heard how there is financial support available for a number of levels of projects.

It was outlined that South Africa needs to spend R4 trillion by the year 2050, and that there is a commitment of R130bn for the next 3-5 years, and how this can be structured into a long-term partnership and that 3 main points are agreed:

1. Focus on the electricity sector...
2. To support electric vehicles...and
3. The 3rd area is green hydrogen.

Programme Director; all of these are topics that land in Mpumalanga, and the key role that the Mpumalanga Provincial Government can play in creating an enabling environment.

We heard about some of the financial structures and efforts from the financial sector to set up specific bankable, shovel ready projects.

We heard about the opportunity and necessity to include communities and that real issues around access, land, health and gender empowerment are critical.

As indicated above, I want to challenge the cluster to work toward creating the context for these partnerships underpinned by social compacts.

Of importance, I would like to see ground broken on a wind farm in Mpumalanga in the next 18 months and that municipalities are ready to participate in this space, both in terms of supporting manufacturing and creating an enabling environment for embedded generation and wheeling.

Programme Director; it is of critical importance that the cluster is challenged to work with all the triple helix stakeholders to really understand the manufacturing opportunities for further component manufacturing here in Mpumalanga.

Furthermore, I want to challenge the cluster to make the most of the international clean tech network- bringing investors here and supporting our innovative companies to export to the world.

Honourable Premier, the Mpumalanga Green Agency wishes to commit to delivering a report of this Summit to the Office of the Premier within a week and then provide a detailed Programme of Action on those issues which the Summit has identified and prioritised by the end of June 2022.

We look forward to building on the momentum created by this Inaugural Mpumalanga Energy Summit and further preventing the social tinder to catch fire, the social tinder of job losses in particular, and broader economic non-participation of the historically marginalized as potential impediments to making the transition fair, affordable and socio-economically viable.

I thank you