

# Renewables will help power the future

South Africa's 2018 Integrated Resource Plan (IRP) is evidence that the country is committed to producing clean energy - placing emphasis on renewable energy and gas resources.



Webb Meko, Black & Veatch sub-Saharan Africa business development director,

“The draft IRP makes a provision for about 20 gigawatts of renewable energy both solar and wind as well as gas-to-power, and therefore the majority will be driven by IPPs, and this is a very good prospect. We will have a sufficient new additional power capacity, and how we position ourselves as an industry is very important,

“Implementing clean energy solutions at an affordable price has social, economic, and environmental benefits, and we expect continued focus on these elements throughout Africa and across the globe,” says Webb Meko, Black & Veatch sub-Saharan Africa business development director.

For any country to achieve a balanced portfolio, all available energy sources should be evaluated and utilised appropriately and responsibly.

“We anticipate the continued engagement of various independent power producers (IPPs) in Africa, including the formation of public private partnership arrangements. Government to government funding and venture capital investments will also continue to emerge. These and other trends will not only continue in South Africa but also in other regions across the globe.”

## Planning

He says capital and project planning remain key challenges for public utilities which contribute to delays in moving projects from concept to financial close and completion.

Globally, various IPP projects are attracting investments and are recognised for their development capabilities and expertise, adding that investors are experienced at identifying and supporting solid infrastructure projects.

“Financiers often have a strong grasp of macro-and micro-level risks that can influence the likelihood of project success, and impact investment returns. Adding a structured renewable energy independent power producers programme as seen in South Africa, and similar IPP programmes that follow, provide a particularly attractive environment for investors in the country.”

## **Decentralising power**

The industry is continuing to change how it has traditionally managed, delivered, owned and operated utility power plants and related systems where innovative approaches and advanced supporting tools are creating efficiencies. "The development and completion of long-lead time central power stations is now coupled with the emergence of short-duration decentralised power facilities," he says

South Africa, like other countries, is continuing to make regulatory and other policy adjustments for a competitive model that incorporates technological innovations that are available in the industry.

“Striking a balance between the adoption of technological innovation and governing regulation can be difficult at times. New technology may create challenges for regulators who need to develop policies that spur innovation while expanding service access and stability. Sub-Saharan Africa is evolving its decentralised power or commercial model for microgrids, and early projects are looking very good and positive," Meko concludes.

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