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MEDIA RELEASE

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SALGA assists municipalities to mitigate energy infrastructure challenges to position them for future sustainability

The South African Local Government Association (SALGA) is taking courageous and decisive action to close the electricity gap and help municipalities take advantage of the policy shift in energy generation. As South Africa is fundamentally transforming the electricity sector and positioning it for future sustainability, regulations have changed to allow municipalities to procure power independently to ensure energy certainty.

The President of the Republic, Cyril Ramaphosa, has called for all South Africans to be part of the solution; to contribute in whatever way they can to ending energy scarcity in South Africa.

Several municipalities are already in the process of procuring power independently. SALGA is collaborating with the USAID Southern Africa Energy Program (SAEP) to provide technical assistance and capacity building as part of its efforts to support municipalities in managing existing energy infrastructure, increasing electricity access, introducing novel energy solutions, and initiating the Just Energy Transition, abbreviated as to JET.

Electricity, Energy and Public Works Working Group, Cllr. Tebogo Hlakutse says, “Although it is our wish, but not all municipalities will enter the space at the same time, because they are various factors relating to playing in the IPP space, some of which are financial stability or a healthy balance sheet, the resources for generation in the jurisdiction such as solar irradiance, land, wind, landfill, among others.”

A two-day session was held from 20-21 September 2022 in Secunda, Mpumalanga aimed at supporting municipalities in the province to increase awareness and understanding of Just Energy Transition.

Municipalities are areas of major economic development and places where the complexities and challenges of rapid population growth, urbanization, energy insecurity, and service delivery collide with climate change impacts. The transition of South Africa’s energy sector from a coal-based economy towards cleaner sources of energy will have a direct impact on the electricity value chain in local government.



SALGA has noted the need for municipalities to have concrete plans to access climate funding in order to adapt to the transition hence this support. Municipalities will also require an appropriate part/portion of the US\$ 8.5 billion JET climate financing package in support of a local government just transition.

President Cyril Ramaphosa has pronounced that Government was working to cut red tape for the registration of new power projects and announced plans to resuscitate Renewable Energy Independent Power Producers Procurement Programme to substantially increase investment in wind and solar power. While the President's plans lacked details on the role of municipalities in addressing the country's energy security, SALGA is forging ahead with its new generation capacity-building programme aimed at capacitating municipalities to be ready for the future energy landscape.

SALGA is confident that with the support that it is providing, eventually, it will have more than 50% of municipalities ready to play in the space of IPPs, in the not-too-distant future. Even though it won't be possible for all of them to be in a position to buy from IPPs due to financial sustainability challenges.

"SALGA has played its advocacy role in the shift in the national policy to allow for the private sector to play in the generation space, and also for municipalities to be able to buy not only from Eskom but also from IPPs," Cllr. Tebogo Hlakutse says.

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