

public works & infrastructure

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SPEECH BY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE, PATRICIA DE LILLE, MP

GREEN HYDROGEN SECTOR A NEW FRONTIER IN ENERGY

Note to editors and journalists: The following speech was delivered by Minister Patricia de Lille at the South African Green Hydrogen Conference Summit today, 29 November 2022

Your Excellency, President Cyril Ramaphosa Minister in the Presidency, Honourable Mondli Gungubele Ministers, Deputy Ministers, Premiers and Mayors Representatives from government International representatives and guests Industry leaders and academics Ladies and gentlemen Good morning, goeie more, molweni, dumelang

It is my great pleasure to welcome you all to Cape Town for this engagement on this new frontier in energy, South Africa's Green Hydrogen Summit. The Department of Public Works and Infrastructure & Infrastructure South Africa (ISA) have been hard at work on the new infrastructure mandate given to the department by the President in 2019 to expedite infrastructure delivery and address the fragmentation in infrastructure.

We have also worked with a team of experts in Infrastructure South Africa, together with the private sector, to advance work in new areas of infrastructure sectors such as Green Hydrogen.

South Africa has a long history in green hydrogen. As mentioned yesterday by Minister Gungubele, the Department of Science and Innovation has been leading research and innovation in green hydrogen in South Africa since 2007 through Hydrogen South Africa (HySA).

South Africa has a number of inherent advantages that could enable it to be a major player in the anticipated green hydrogen economy.

However, more needs to be done to market our ambitions and appetite to be a world class green hydrogen production hub to the rest of the world relative to our competitors such as Chile, Australia and the Middle East.

As such we must secure the degree of off-takes and investments required to enable South Africa's green hydrogen potential.

ISA has amassed a pipeline of green hydrogen with a value of over R300billion but much of this pipeline needs further project preparation support to reach financial close.

The Prieska Power Reserve (PPR) Project for example in the Northern Cape is a catalytic project that will begin producing green hydrogen and ammonia in 2026 by combining high-yielding renewable solar and wind energy.

This will be done in combination with the natural resources of water and air, located outside of Prieska in the Northern Cape.

The Prieska Power Reserve Project will create jobs during the construction phase as well as permanent jobs during the operational phase.

In the first phase of the Project it is anticipated that more than 10 500 jobs will be created the over both the construction and operation phase.

It further aims to promote the full and effective participation of women throughout its development, construction and operational phases. The project aims to achieve this from its ownership structures through to operational structures and beneficiaries.

This inaugural South Africa Green Hydrogen Summit 2022 will showcase the country's offering as a large scale, low cost, world class green hydrogen production hub and total value chain investment destination.

The Summit will also profile the projects, products and services of both domestic and international firms under the theme "*PROMOTING SOUTH AFRICA AS A GREEN HYDROGEN INVESTMENT DESTINATION OF CHOICE*"

This will enable our pipeline of project to succeed against fierce international competition and secure a strategic first mover advantage.

GAZETTING PROJECTS IN LINE WITH THE INFRASTRUCTURE DEVELOPMENT ACT

It is against this background that we are confident enough to gazette an additional set of priority and amend some of the current Strategic Integrated Projects (SIPs) to address the challenges experienced in our infrastructure environment.

The next round of projects will be gazetted in line with the Infrastructure Development Act of 2014 which enables the projects to follow an expedited path to delivery with stipulated and shorter timeframes for all necessary approvals.

Infrastructure Projects that are of economic significance and social importance are fast tracked if gazetted as SIPs. The projects are gazetted in line with Schedule 2 of the Infrastructure Development Act as SIPS.

When we invoke Schedule 2 of the Infrastructure Development Act, there are prescribed shorter time frames for processes relating to the implementation of strategic integrated projects.

This means that all processes relating to implementation of SIPs, including processes relating to any application for any approval, authorisation, licence, permission or exemption and processes relating to any consultation and participation now run concurrently instead of the usual process which is sequentially.

Schedule 2 spells out the shorter time frames for processes such as submitting project applications and plans to the relevant authority for consideration and approval, the period for public consultation and the period for relevant authority to consider and assess development and mitigation plan and make final regulatory decision.

The process of gazetting infrastructure projects means implementation will be prioritised and we will assist with unblocking any snags whether technical, financial, legal or administrative that have hindered infrastructure delivery for so long.

SIP Coordinators have been identified and they together with the private sector will be expediting the implementation of these Infrastructure Projects, which are gazetted as SIPs.

NEW PROJECTS TO BE GAZETTED

The additional projects to be gazetted have already gone through an extensive quality assurance check, using the Sustainable Infrastructure Delivery Management (SIDS) methodology as adapted from the 5 Case model from the UK Infrastructure Projects' Authority.

As mentioned earlier, the total potential investment value of the Green Hydrogen Programme alone is estimated to reach more than R300 billion.

The proposed projects are aligned with the objectives of the National Development Plan, the National Infrastructure Plan, the Economic Reconstruction and Recovery Plan, as well as the National 7 key priorities of the 6th Administration.

ADDITIONAL PROJECTS TO BE GAZETTED:

The Green Hydrogen National Program (GHNP):

The programme currently consists of 19 projects across various provinces in the country with this number to increase over time.

A total of 9 projects included in the programme have been successfully registered with ISA and are either at an early business case or intermediate business case as per the Five Case Model.

Projects registered with ISA will receive their SIP letters immediately after the Gazette is published which include:

- 1. The Prieska Power Reserve in the Northern Cape
- 2. The Ubuntu Green Energy Hydrogen Project in Northern Cape
- 3. Boegoebaai Green Hydrogen Development in the Northern Cape
- 4. Atlanthia Green Hydrogen in the Western Cape
- 5. Upilanga Solar and Green H2 Park in Northern Cape
- 6. Sasolburg Green Hydrogen 60MW in the Free State
- 7. SASOL HySHiFT (Secunda) in Mpumalanga
- 8. HIVE Ammonia in the Eastern Cape

And lastly, project no 9, the Hydrogen Valley Programme of Anglo-American and their JV Partners includes 9 projects alone along the Limpopo, Gauteng to KwaZulu-Natal Corridor.

Projects we are waiting on the final project information include the following:

- 10. Mainstream Renewable Energy Hydrogen in the Western Cape
- 11. AMSA Saldanha Steel Hydrogen project in the Western Cape
- 12. Enertrag Postmasburg Project. (Ammonia) in the Northern Cape
- 13. HDF Energy Renewable Energy, IPM 1 in Mpumalanga

- 14. Enertrag Indigen Project (e-methanol) in the Eastern Cape
- 15. Isondo Fuel Cell MEAs Manufacturing in Gauteng
- 16. Isondo / NCP Vehicles in Gauteng
- 17. Saldanha bay Green hydrogen project
- 18. Project Phoenix fuel cell manufacturing in Free State
- 19. Cape Stack in the Western Cape

The additional projects to be gazetted also includes a number of project sunder the Just Energy Transition Programme, the Oil and Gas National programme, the Embedded Generation National Program, the Social Housing Programme and others.

These projects will be gazetted in the coming days in line with the adoption of these projects and programmes by the Presidential Infrastructure Coordinating Council (PICC) in May 2022.

This work is being done in line with our firm belief that infrastructure-led economic growth is the most effective and significant way as part of our Economic Growth Strategy to grow our economy while at the same time responding to the socio-economic needs of our people.

Our goal is to now build on this vision and build our economy through quality infrastructure programmes and projects. The potential for green hydrogen to become a thriving sector for South Africa is huge. This summit must be a springboard into action to make that potential a reality and see the green hydrogen industry thriving.

Government will work with the Green Hydrogen sector to create an enabling environment for investors in this sector to create much needed jobs for our people. I thank you and wish you all a successful summit that will lead to greater action.

ENDS

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