

Energy Efficiency in South Africa: Governance Structure & Lessons Learnt

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Climate Change and Air Quality



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South African Context

- Energy policy goals include:
 - Diversity of supply;
 - Universal access;
 - Managing environmental impacts;
 - Ensuring economic development
- Energy development needs to deliver energy services to the poor as well as a complex industrial economy
- Access to modern energy services grew from ca 30% in 1990 to ca. 80%
- 93% of SA's electricity generated from coal-fired power stations



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South Africa's governance infrastructure for Energy Efficiency

Department of Energy

- **Energy Policy White Paper (1998):** Recognises that energy should be sustainable & should be done with maximum efficiency at all times
- **National Energy Efficiency Strategy (2005) Revised 2008 & 2013:** Provides sectoral aspirational targets and a broad overview of the initiatives planned to achieve them



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National Energy Efficiency Strategy (NEES) of South Africa

- Officially implemented in 2005 and was reviewed in 2008 and 2013
- The Strategy sets a national target for energy efficiency improvement of 12% by 2015
- 'The strategy has key social, environmental, and economic goals:
 - Improve the nation's health
 - Create jobs & improve industrial competitiveness
 - Alleviate energy poverty & enhance energy security
 - Reduce GHG emissions & environmental pollution



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South Africa's governance infrastructure for Energy Efficiency

Department of Trade & Industry and Economic Development Department

- **Industrial Action Policy Plan (2012):** Identifies significant opportunities to develop new green & EE industries and related services in South Africa, and highlights the need for improved EE in the manufacturing sector.
- **New Growth Path Framework (2011):** Calls for 'comprehensive' support for EE



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South Africa's governance infrastructure for Energy Efficiency

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- **Climate Change Response Policy White Paper (2011):**

Recognises EE as a primary short-term mitigation option available to the country.

Recommends up scaling of EE as a primary medium-term mitigation option.

Recommends the implementation of EE and Energy Demand Management Flagship Programme.

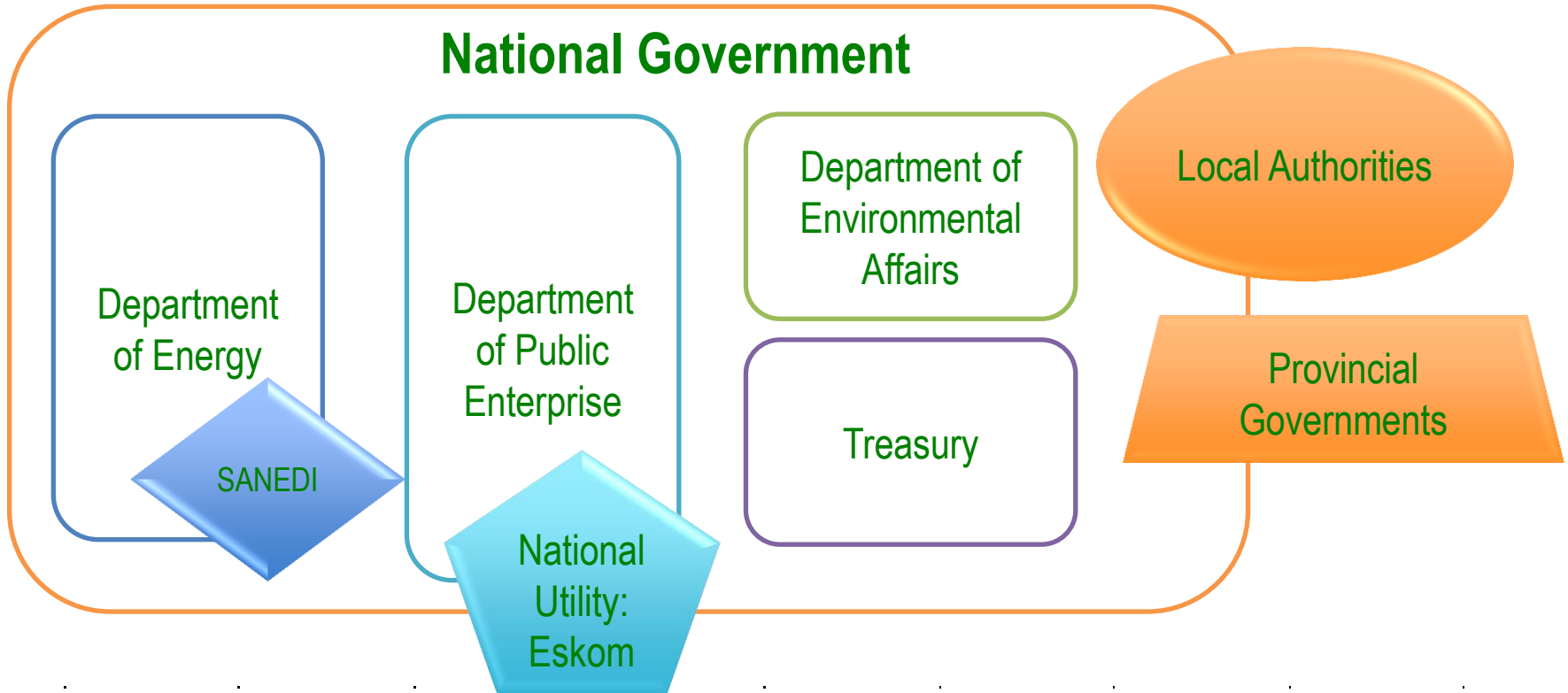


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Energy Efficiency Governance Landscape



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South Africa's national circumstance

- Complex energy governance landscape
- Vertically decentralised governance structure
 - A provision for strong decentralization of powers and functions to local government is entrenched within the South African Constitution
 - This decentralized framework has given considerable responsibility to local government for providing services



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Overview of EE Programme & Initiatives

- Department of Energy (DoE) & Eskom
 - **Integrated Demand Side Management (DSM)** & Energy Conservation Scheme
 - DoE Power Conservation Programme & Electricity Growth Management
- National Treasury, Department of Public Works & Dept of Energy
 - **Municipal EE DSM**
- BUSA, NBI/Energy Efficiency Leadership Network (EELN) & DoE
 - **National Energy Efficiency Leadership Accord**
- Department of Environmental Affairs, DPW & DoE
 - **EE DSM Vertically Integrated Nationally Appropriate Mitigation Action (V-NAMA)**



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Mitigation effects expected

Mitigation action	Assumptions associated with the action	GHG emission reduction, Mt CO ₂ -eq,	Mitigation cost (R / t CO ₂ -eq)	Total Incremental investment required	Annual incremental average investment



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Lessons Learnt (1)

- Policy framework is Crucial
 - policy, regulatory and funding framework that promotes and supports energy efficiency implementation and creates an effective enabling environment.
- Stakeholder Engagement is Crucial
 - The National Energy Efficiency Strategy (NEES) which details South Africa's energy intensity reduction target of 12% by 2015 has undergone two reviews – and has benefited from stakeholder inputs



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Lessons Learnt (2)

- Coordination is Crucial
 - The Energy Efficiency landscape in South Africa is located in different institutions
 - Heightened need for coordination using consistent, transparent and replicable approaches
 - Enormous opportunities for synergies and potential for integration with other departments and related initiatives exists (e.g. climate change, carbon tax, energy efficiency tax incentives, energy efficiency labelling for appliances, energy performance certification of buildings)



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Opportunities

- How to replicate success achieved:
 - support for those projects that have shown success
- Strengthen institutional capacity
- Further build human capacity
 - Develop human capital for the implementation of energy efficiency systems and technologies
 - Funding programmes for coordination and implementation support for community benefits



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Thank You



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