

EC energy project on hold

R8bn plants plan on ice, job creation now halted

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THE ambitious plan to invest R8-billion into four renewable energy plants in the Eastern Cape, a project which would have seen thousands of jobs created, suffered a major blow this week, when Numsa made a successful high court application to interdict the signing of the contracts, which would have given the green light for the construction of 27 renewable energy plants across the country at a cost of R56-billion.

Economic Development MEC Sakhumzi Somyo said he was very disappointed in Numsa's action.

Numsa argues that there is a disregard of working class families in government's renewable energy plans, although the union is not opposed to the plan, provided certain things are addressed.

"We are calling for a just transition to renewable energy. We demand that the state adhere to the guidelines of the International Labour Organisation (ILO), which they agreed to when they signed the Paris Accord," said Numsa general-secretary Irvin Jim in a press statement.

"The renewable energy Independent Power Producers (IPP) rollout will raise the cost of electricity dramatically, because IPP's cost much more than coal-fired electricity."

Somyo said Numsa's

stance was disappointing as the national government as well as the province had identified renewable energy "as a driver for economic growth".

According to Somyo, the four renewable energy plants, which he hoped would go ahead when stakeholders found common ground, are being earmarked for Peddie, two in Cookhouse and another in Humansdorp.

"This brings into reality our commitment to spread economic development initiatives to the areas in the province where the socioeconomic need is the greatest," said Somyo.

Delivering his budget speech for economic development, environmental affairs and tourism, Somyo said the provincial government will, over the coming two to three years, be preoccupied with getting these projects up and running to stimulate the province's economic growth.

He said that more emphasis would be placed on the "participation of black enterprises not just in ownership but also in the construction and operations of these energy plants".

Somyo also announced an allocation of R211-million towards the East London and Coega special economic zones.

This while the Department of Trade and Industries (DTI) has awarded the East London Special Economic Zone R45-million to build four new factories this year.

"Five new investors in manufacturing, pharmaceutical, diamond processing, renewable energy, ICT and electronics will also become operational in 2018 and this will without a doubt increase the number of active jobs in the East London zone," said Somyo. — zingisam@dispatch.co.za