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PRESS STATEMENT

IMMEDIATE RELEASE

BUSA WELCOMES THE GOVERNMENT'S PROCESS TO INVOLVE THE PRIVATE SECTOR IN THE GENERATION OF ELECTRICITY FROM RENEWABLE SOURCES

BUSA welcomes the announcement by the Minister of Energy Ms Dipuo Peters on the successful bidders in the call for proposals from the private sector for generation of electricity from renewable sources. This is in line with BUSA's views on the need to mobilise private sector participation more fully in electricity generation.

BUSA would in particular like to commend the Government for the thoroughness of the process - and in particular the public explanation of the process by the Director General - which reflected both the high level technical rigour, as well as the security employed, to ensure a transparent process.

The criteria with which the successful bidders will have to comply are extensive and include the key elements of localization and job creation. Vigorous implementation of the Industrial Policy Action Plan and the Green Economy Accord - in which commitments were made to localization by the renewable energy subsectors - will be required to ensure the job creation benefits of the IPP program are realized.

Business sees the use of public private partnerships (PPPs) as a well-understood alternative to assist in leveraging private sector capacity to accelerate the roll-out of infrastructure and to ensure the effective utilization of government's overall budgeted infrastructure spend. PPPs need to be used on an even larger scale to help enhance delivery in this sphere.

ENDS

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