



**NATIONAL OFFICE**  
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31 January 2023

National Energy Regulator (NERSA)

Executive Manager: Piped – Gas Regulation at:

Postal Address: P.O Box 40343

Acadia

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By email to: pipedgas@nersa.org.za

## **INTRODUCTION**

BUSA is a confederation of business organisations, including chambers of commerce and industry, professional associations, corporate associations, and sectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development, and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.

As a principal representative of business in South Africa, BUSA represents the views of its members in several national structures and bodies, both statutory and non-statutory. BUSA also

**REGISTRATION NUMBER:** 2014/042417/08

**PRESIDENT:** Bonang Mohale **VICE PRESIDENT:** Adrian Gore **CEO:** Cas Coovadia **NEDLAC CONVENOR:** Kaizer Moyane  
**DIRECTORS:** Bongzi Kunene, Busisiwe Mavuso, Busisa Jiya, Christopher Campbell, Deidre Penfold, Gareth Ackerman, John Dlodlu, Mike Mabasa, Michelle Constant, Roger Baxter, Stavros Nicolaou, Zoleka Lisa.

represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).

## **BUSA COMMENTS ON THE CONSULTATION DOCUMENT CONCERNING THE DEVELOPMENT OF A STRATEGY FOR A GAS, RENEWABLE ENERGY AND HYDROGEN PARTNERSHIP.**

BUSA welcomes the opportunity to engage and comment on the consultation document concerning developing a gas, renewable energy, and hydrogen partnership strategy.

BUSA's view is that gas and renewable energy are complementary and form part of a necessary energy mix. It is BUSA's view that as South Africa implements its climate change commitments, South Africa must primarily focus on reducing energy-associated emissions whilst achieving energy security and economic growth. Thus, a balanced and deliberate approach is required. For BUSA, the two technologies are not considered separate. Furthermore, direct integration between gas and renewable energy will contribute to achieving a net zero pathway and be instrumental in adopting green hydrogen energy.

Hydrogen and gas have different potentials due to different applications; hydrogen can be used as a feedstock for petrochemical processes and transportation. Furthermore, hydrogen still needs to be fully developed as compared to gas.

As NERSA considers inputs on the consultation paper, NERSA must respond to the impending decline of gas supplied into South Africa. The gas economy in South Africa is pivoting towards power generation while industrial gas use is neglected, and yet gas use demand is largely established. Neglecting gas industrial demand when will result in unintended consequences for developing a sustainable gas sector.

Renewable energy will take some time to mature to a level required by the electricity supply industry. To reach the necessary level of maturity, South Africa must make use of transitional fuels for power generation, which makes gas ever so crucial; with regards to residential and industrial end-use use, gas has played an essential role in providing a viable substitution to coal and diesel enabling the realisation of affordability and security. Various gas technologies are readily available and can be implemented quickly to complement renewable energy deployment.

Nersa must consider reconciling the following considerations with a new reality:

- Appropriate pricing methodology.
- Policy consistency and certainty.

- Implementation of just transition and climate change commitments.
- Regular publication and implementation of the Integrated Energy Plan, which the Gas Master Plan and the Integrated Resource Plan form part of.

Yours faithfully  
Happy Khambule