



## MEDIAVERKLARING | MEDIA STATEMENT

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### **Amendment of Schedule 2 of the Electricity Regulation Act: A big step in the right direction to reforming the energy sector**

Agri SA welcomes the announcement by President Cyril Ramaphosa to amend Schedule 2 of the Electricity Regulation Act, lifting the NERSA licencing threshold for embedded generation projects from 1MW to 100MW. This move opens a significant door for private electricity generation and to happen on a more affordable scale.

This is particularly encouraging as it will allow for renewable energy and new parties to get involved. At a time when load-shedding haunts the economy, this intervention is greatly needed to address the supply constraints.

Agri SA has always maintained that the private sector's involvement and participation would alleviate pressure from Eskom. The announcement reinforces that President Ramaphosa listens to the free-market economy and furthermore understands and recognises the importance and opportunities that are presented in the involvement of the private sector.

"While this will aid in providing electricity in an economic viable way, we further reiterate the urgent need for any administrative hurdles to be addressed within Eskom's structures," says Kulani Siweya, Agri SA agricultural economist. "It is important that Eskom views this an opportunity to partner with independent providers in getting back to supplying stable and reliable energy to the country."

A critical factor to economic growth is stable energy supply and with the economy in desperate need to recover from past challenges, including the still-present Covid-19 pandemic, stabilising supply will bode well for business confidence and encourage for job creating investments.

Agri SA will continue to monitor the implementation going forward and support positive policy interventions that set a good foundation for inclusive growth.

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