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REPUBLIC OF SOUTH AFRICA



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MEDIA STATEMENT

GOVERNMENT WELCOMES WORLD BANK PRESIDENT VISIT TO SOUTH AFRICA

Sunday, 06 November 2022. The Minister of Public Enterprises, Mr Pravin Gordhan on behalf of the South African Government today welcomed the President of the World Bank, Mr David Malpass, to the recently decommissioned Komati Power Station, the site of the country's flagship Just Energy Transition (JET) project. Mr Malpass is on a short visit to South Africa while on his way to the COP 27 Summit taking place in Egypt.

Minister Gordhan and Mr Malpass were welcomed in the Mpumalanga Province by Premier Refilwe Mtshweni-Tsipane and received at the Komati power station by the Eskom Board chairperson, Mr Mpho Makwana and Group CEO, Mr Andre de Ruyter.

Komati is set to become the first major coal power station in South Africa to be converted into a site for renewable energy generation, as the country gradually transitions from fossil fuels to clean energy resources. It seeks to make a major contribution to mitigating climate change and ensuring energy security while supporting a range of economic initiatives for local communities in the Komati area.

The World Bank last week, at the request of South Africa, announced that it will provide a R9 billion concessional loan towards South Africa's just energy transition, of which the Komati project will be the first step.

When announcing the loan facility, the World Bank President Mr Malpass expressed his confidence in South Africa in embarking on the Just Energy Transition.

“Reducing greenhouse gas emissions is a difficult challenge worldwide, and particularly in South Africa given the high carbon intensity of the energy sector. Decommissioning the Komati plant this week is a good first step toward low carbon development. We are cognizant



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of the social challenges of the transition, and we are partnering with the government, civil society, and unions to create economic opportunities for affected workers and communities,” said Mr Malpass.”

The Minister of Finance, Mr Enoch Godongwana, who met with Mr Malpass on Saturday evening, said Government is in partnership with a range of social partners to ensure a just energy transition.

“The financing Eskom is receiving from the World Bank will go a long way in assisting us to meet the ambitious targets relating to decarbonisation and a Just Energy Transition that we have set for ourselves.”

“The repurposing of Komati is a critical first step in a long journey, one that we cannot walk alone if we are to strike the urgent balance between our environmental, economic and energy imperatives. We will continue to mobilise capital, internationally and domestically, to finance the transition in the interest of the lives and livelihoods of our people,” said Minister Godongwana after the meeting.

Minister Gordhan indicated that Mr Malpass’s visit to Komati, is an expression of confidence in South Africa’s ability to implement a just energy transition in a way that minimises any negative impacts on local communities which have over the years developed around the coal stations.

“This project will greatly assist Eskom, South Africa and the international community to develop a deeper understanding and appreciation of how the processes of decommissioning and repurposing of coal-powered stations can be done in a manner which mitigates the socio-economic impacts for workers and communities; before we scale up the move of the power sector into a low-carbon path. Crucially, it will provide training in new skills and for new jobs”, Minister Gordhan said.

The last unit of the Komati Power station was decommissioned and switched off on 31 October 2022, signalling the end of its operating life as a coal-fired power station.



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The Komati plant will be converted into a renewable generation site powered with 150MW of solar, 70MW of wind and 150MW of storage batteries, adding generation capacity to the grid, thereby continuing to put the site and its associated transmission infrastructure to good use. A containerised micro-grid assembly factory has already been established on site. This will help prolong the usefulness of the infrastructure and provide economic opportunities to the community.

Eskom has developed a comprehensive Just Energy Transition (JET) Strategy, which places equal importance on the ‘transition to lower carbon technologies,’ and the ability to do so in a manner that is ‘just’ and sustainable. The employees remaining in Komati at the time of the decommissioning will become part of the Repowering and Repurposing project.

The Komati Training Facility is already under development. It will facilitate the reskilling, retraining, and upskilling of Eskom employees and members of the community, as appropriate. Eskom has signed a partnership agreement with the South African Renewable Energy Technology Centre (SARETEC) of the Cape Peninsula University of Technology, and the Global Energy Alliance for People and Planet (GEAPP) to develop the training facility.

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