

Treasury takes crucial step towards energy security

 By [Lindsey Schutters](#)

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Minister of Finance, Enoch Godongwana, addressed the nation's ongoing energy crisis directly in his [2024 Budget Speech](#). "Load shedding is a problem that confronts all South Africans. It disrupts production, operations, and livelihoods," he stated.



Minister of Finance Enoch Godongwana wasted no time in a rapid 2024 Budget Speech delivery.

Godongwana highlighted the government's commitment to reforming the energy sector, which he believes will result in long-term energy security.

"We took the necessary decisions in the past five years, and these are bearing fruit."

To encourage further investments in renewable energy, the 2024 budget proposes an increase in the limit for renewable energy projects that can qualify for the carbon offsets regime, from 15MW to 30MW.



#Budget2023: Renewable energy, solar tax incentive introduced for businesses, individuals

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This move is expected to stimulate the renewable energy sector and contribute to the country's efforts to combat climate change.

Eskom continues to play a key role in the electricity sector. The minister noted that the debt relief plan allows the entity to focus on its core business.

“We will release the report on the independent review of Eskom’s coal-fired power stations in the coming week. The review was done to inform part of the conditions attached to the debt relief plan,” he added.

The recommendations from the review will feed into Eskom’s corporate plans to bolster accountability and oversight.

Private investment gives optimism

Godongwana expressed optimism that the combination of private investment in new energy projects, rooftop solar installations, and improvements in Eskom’s generation fleet will reduce load shedding and improve the reliability and security of supply.

In addition, to support these efforts, the government is introducing a new R2bn conditional grant over the medium term to fund the rollout of smart prepaid meters.

This initiative will begin with municipalities that have been approved for debt relief.

Godongwana continued the trend within the current Ramaphosa administration of stressing its commitment to addressing the energy crisis and moving towards a more sustainable and secure energy future for South Africa.

ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity

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