

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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**2151. Mr Z R Xalisa (EFF) to ask the Minister of Energy:**

(a) What is the cost of the Renewable Energy Independent Power Producer Programmes to the economy and (b) how was this determined? NW2306E

**Reply:**

1. The impact of the REIPPPP on the South African economy is not about costs, but rather about benefits. The highly competitive procurement conditions of the Renewable Energy Independent Power Producer Programme (REIPPPP), combined with excellent domestic natural resource potential, policy support and technological progress has resulted in **rapid cost reductions** and competitiveness of renewable energy technologies.

The South African government established the REIPPPP in 2010 as an urgent intervention to support the transition to a low-carbon economy, enhance and diversify South Africa’s electrical power generation capacity and accelerate private-sector participation in the energy industry through a competitive bidding process. The programme design, implementation and operational requirements further makes significant contributions to broader national economic development objectives, such as job creation, social upliftment, enterprise development, increasing economic ownership opportunities for black people, foreign direct investment, technological progress, climate change mitigation, alleviating pressure on the fiscus and lower electricity costs.

**Approved / Not Approved**

Mr J T Radebe,MP

Minister of Energy

Date: