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Trends in South Africa

Facts from the *Renewables in Cities 2021 Global Status Report*

Key Renewable Energy Takeaways in 2020 from South Africa

- South African cities have successfully sued the national government for greater autonomy to deploy and support renewable electricity projects.
- Participation governance and citizen involvement in energy and climate planning has been gaining traction in South Africa, including in cities.

Brand new data shows

- 34 cities in South Africa had renewable energy targets and/or policies (from a global total of over 1,300 cities). This covers 15.3 million people (i.e., 40% of the urban population in South Africa).
- Only 5 cities had net-zero¹ targets (**Cape Town, Durban, eThekweni, Johannesburg and Tshwane**); from a global total of around 800 cities with net-zero targets.

Renewable Energy Developments in South African Cities

City renewable energy commitments and policies

- Due to rising urbanisation, population growth and energy demand, the opportunities around renewables in cities are increasingly recognised in Sub-Saharan Africa. Common drivers for renewables include reducing poverty and inequality (including by addressing energy access and energy poverty) and boosting the resilience and reliability of power systems.
- 7 cities had renewable energy targets, mostly focusing on electricity (**Cape Town, Durban, Ekurhuleni, eThekweni, Johannesburg, Msunduzi and Pietermaritzburg**):
 - **Durban and Msunduzi** had 100% renewable electricity targets.
- The majority of city-level policies identified are feed-in tariffs for solar PV (small-scale embedded generation (SSEG) tariffs) which entered into force in 2020:
 - 28 municipalities have in place either net FIT or net billing policies that define the price that (typically) municipal utilities must pay for buying or compensating surplus electricity from solar PV systems in the city.

¹ Net-zero" emissions can be achieved, for example, by using natural sinks, such as reforesting land or adopting agricultural best practices, or through a technological solution, such as carbon capture and storage. Net-zero targets also are referred to commonly as "climate-neutral", "carbon-neutral" or "zero-emission" targets, although technically these are not the same. Carbon neutrality refers to net-zero emissions of only CO₂, whereas climate neutrality indicates a broader focus on net-zero emissions of all greenhouse gases. There is no agreed-upon definition, and implementation of these targets also varies broadly.

- **Cape Town** committed to achieve carbon neutrality by 2050 and was working on a Zero Carbon 2050 action plan (and related policies) in 2020.

Scaling up renewables in buildings and transport

- **Scaling up renewables for streetlights:** **Ekurhuleni** installed “smart” electric streetlamps which send signals to a central power control module when they experience technical problems (from lack of maintenance or theft – common problems in developing countries), so that they can be fixed promptly.
- **Electrification of public transport is also gaining interest, as well as biofuels.**
 - **Cape Town**, where the transport sector plays a prominent role in energy consumption, had a target to procure only zero-emission vehicles by 2025.
 - **Biofuels:** The city’s transport plan includes exploring the production and use of biofuels, using renewables for depots and transport interchanges, and replacing the municipal diesel bus fleet with electric buses.
 - **EV:** In 2018, the city’s bus rapid transport service added 11 locally manufactured electric buses to its fleet.
 - **EV: Cape Town’s** Electric Vehicle Framework includes leveraging EV roll-out and charging to increase the share of renewables, and is considering requiring public EV charging stations to operate on RE.
- **Challenging higher-level policy and regulation:** In 2017, **Cape Town** challenged the national government in court to release the city from having to procure coal-fired electricity from the centrally controlled national energy utility and to enable it instead to procure electricity from independent power producers.
 - As a result, in late 2020, South Africa’s Department of Mineral Resources and Energy amended national electricity regulations to allow municipalities in good financial standing to deploy their own electricity generation projects.
 - In late 2020, **Cape Town** was exploring the commercial, legal and technical aspects of a municipal-level Renewable Energy Independent Power Procurement Programme.

Financing renewables in cities

- In 2019, South Africa represented the second highest investment in renewable energy capacity in Africa and the Middle East.
- Investment in renewable energy capacity in Africa and the Middle East fell 8% in 2019 to USD 15.2 billion, down from a record USD 16.5 billion invested in 2018. Most of this investment was in the United Arab Emirates, followed by South Africa.
 - **Johannesburg** issued a USD 143 million green bond to fund projects across a range of sectors including new dual-fuel buses and the conversion of 30 buses to biogas.
- Local governments in South Africa have reported that the complexity of available international/intergovernmental grants and the high level of human resource investment with no guarantee of return can result in inaction or paralysis in financing renewables.

Citizen engagement to achieve energy and climate goals

- South African cities are frontrunners on the continent when it comes to engaging their citizens in public energy planning.
 - South Africa's planning processes are by law open to comment from citizens: **eThekweni's** Draft Energy Policy was open to public comment until 15 January 2021.
 - The municipal government of **Cape Town** facilitated the installation of an 84 kW solar PV system at Wynberg Girls High School.
- GreenCape's Witsand Informal Settlements project in **Cape Town** used a participatory co-design approach to identify people's energy needs, leading to the provision of 50 solar-powered streetlights and Wi-Fi hotspots in 2020.
- The social enterprise iShack has helped disadvantaged communities in **Stellenbosch** and **Cape Town** electrify in a participatory manner. iShack's projects in various locations provide funding for households to install off-grid solar PV systems to meet basic energy needs.

South Africa's Energy Profile

<https://www.iea.org/countries/south-africa>; <https://www.iea.org/articles/south-africa-energy-outlook>

Regional Trends: Sub-Saharan Africa

- Competing development priorities, weak fiscal decentralisation, limited municipal mandates and capacity constraints hinder the wider adoption of renewables in Sub-Saharan Africa.
- SSA cities have supported local renewable energy deployment in a variety of ways, including by facilitating collaborative projects led by national governments, development finance institutions and/or private actors.
- At least 47 SSA cities had RE targets and/policies, for a total of 34 targets and 38 policies, most of these in South Africa.
- Many SSA cities have joined international city networks such as the Covenant of Mayors in Sub-Saharan Africa, which help to build knowledge and internal capacity on renewable energy projects and data collection.

Questions? Please contact press@ren21.net or +33 1 44 37 50 99.

All report materials, figures, case studies and the full data pack can be downloaded here: <http://ren21.net/rec2021press>