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Weekly projects and energy updates in South Africa

Limpopo's coal-fired power station gets green light

The government has flashed the green light again for a [new] multibillion-rand coal-fired power station in Limpopo, but environmental watchdog groups have announced plans to go back to court to halt the project because of its climate change effects.

The exact costs of the entire 1200 MW project are not clear, although initial estimates for the first phase (a 600 MW plant) have previously been estimated at ZAR20bn.

Business Day, 8 February 2018

SMEC develops master plan for Uganda oil and gas industrial park

Global consulting engineering firm SMEC has been asked by the Uganda Ministry of Energy and Mineral Development to develop a master plan for a proposed oil and gas industrial park, in Kabaale, western Uganda.

Owing to the discovery of oil in the region, and the need to maximise value from the resource, the country's government has allocated about 3000 ha of land for the project, making it one of the largest industrial parks in the world.

The industrial park is intended to form part of a new industrial city encompassing an oil and gas refinery; energy, petrochemical and other strategic industries; an international airport; commercial and administrative areas; health and education facilities; residential neighbourhoods; public spaces; an oil and gas export hub; and green areas.

Engineering News, 7 February 2018

African gas market trends show massive growth expected

The African gas sector is expected to boom in 2018, as the region begins to recover economically and investment increases.

Governments in West African countries are increasing their efforts to secure stable gas supply to enhance power generation capacity and rely less on revenue generated by crude oil.

This includes developing pipelines, floating liquefied natural gas (FLNG) platforms and major gas field projects.

According to the International Energy Agency (IEA) natural gas will take the lead in meeting the world future energy needs, and demand will grow faster than oil and coal at 1.6% per year over the next five years. Growth in the sector will be stimulated by low prices, abundant supply, as well as its role in producing a cleaner energy source.

ESI Africa, 6 February 2018

Eskom gets state approval to buy renewable power from independent producers

The government has approved an application by Eskom to buy more renewable power from independent power producers, the Department of Public Enterprises said on Friday.

The deal ends years of investor uncertainty for projects awaiting financial closure and delaying an estimated ZAR58bn worth of new investment into the economy.

Business Day, 2 February 2017

New “power-to-X” prospects may arise as renewables costs continue to fall

The outlook for solar and wind electricity costs to 2020 “presages historically low costs for new renewable electricity”, which could create new economic and industrial opportunities, a new International Renewable Energy Agency report argues.

The report states that, by 2020, all existing renewable-generation technologies will fall within the fossil fuel-fired cost range, with most, notably onshore wind and solar photovoltaic (PV) technologies, at the lower end, or undercutting fossil fuels.

South Africa Energy Roundup, February 2018

The above reflects a summary of certain news articles published during the preceding week. It is not an expression of opinion in respect of each matter, nor may it be considered as a disclosure of advice by any employee of Hogan Lovells.

For more information contact [Charles Marais](#), [Philip van Rensburg](#) or [Mzimasi Mabokwe](#).

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