

Trends Creating Opportunities in Africa's Energy Sector

[Africa Energy Indaba](#) 2019 to give insight on major developments in the energy sector for government and businesses to capitalise on

FOR IMMEDIATE RELEASE

Johannesburg, 4 February 2019; Africa's power and energy sector are catalysts for its growth and development. To achieve its full potential, the continent needs to accommodate the energy needs of its citizens and to achieve that, necessitates businesses and producers to stay abreast of the precipitous advances of the energy landscape. To this end, there are several developments influencing the economic and socioeconomic realms of Africa.

1. Greater investments in low-carbon technologies and sustainable energy render coal power plants increasingly difficult to finance.

The world is accelerating towards cleaner, more renewable energy with environmental awareness on the rise. This has subsequently led to more nations investing in low-carbon technologies, a shift that became more prominent following the 2015 COP 21 United Nations Climate Change Conference. In light of this, the attractiveness of coal projects has declined worldwide. As renewable energy and low-carbon technologies become the norm, financing for coal projects will become progressively more challenging.

2. The growing inclination towards renewable energy in developing markets

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Countries such as Morocco and Senegal are increasingly supporting a move away from coal to more sustainable energy sources to drive power plants. Declining costs of renewable energy technologies in solar and wind have significantly made them competitive, thereby increasing the use thereof. Similarly, the shale gas revolution in the USA spurred the declining costs of gas, making gas power plants markedly more competitive compared to clean coal solutions.

Africa has vast access to natural resources such as solar and wind. In fact, Africa receives over two and a half times what Germany, being a world leader in solar renewables, does. This in itself, indicates the enormous potential of Africa having access to these renewable resources. The accessibility of Africa's renewable energy alternatives therefore renders renewable solutions cost efficient. This very dynamic will reform the energy landscape in Africa. While the continent has previously trailed behind developed nations in the adoption of renewable energy, this scenario will change as Africa's interest in renewable energy increases.

3. Battery storage gains momentum

Investment in battery storage has received a lot of traction from global companies such as Tesla, Samsung, Total and BYD over the last 5 years and further investment is expected to be made in the research and development thereof, particularly when paired with solar photovoltaic plants for energy storage. Moreover, declining costs associated with battery storage will further boost investments in the battery storage realm.

4. Development of decentralised distributed generation solutions

Implementing decentralised distributed generation solutions will enable millions of people across the continent without energy, access thereof. Distributed generation entails establishing smaller power stations at particular load centres as opposed to larger power utilities that are required to transmit power over vast distances. According to Dr Christoph Frei, secretary general of the World Energy Council, "Decentralised supply will add a lot of value to the supply picture. This does not mean, however, that we get rid of the central supply utilities but rather have many complimentary supply stations coming in at local level." Distributed generation also keeps transmission losses at a minimum and will enable transmission of power to where it needed. Businesses and nations embracing and investing in the decentralisation of renewable energy open themselves up to massive opportunities.

5. The progressive move towards integrated grids

Integrated grids entail countries evacuating power from one country with a power surplus to one with a power deficit. "Regional integration is essential to ensure that resources get from locations where they are most affordable, to where they are needed," explained Dr Frei. In Africa however, this proves more challenging in practice as the continent is divided into very distinct power pools being the northern, southern, eastern, western, and central power pools, with minimal integration between them. Transmission projects required to link grids is an expensive exercise and therefore Africa is currently slow on the uptake of this task. In addition, growth in this area may take a decade or longer to develop. However, as transmissions projects are the foundation of power generation, investment in this area is essential and initiatives in this regard are set to endure.



The political and economic climate in Africa has improved over the past 20 years, rendering the continent a viable investment decision for international stakeholders. Being abundant in natural resources for power generation (vast amounts of solar, hydro, wind, gas amongst others), the African energy realm is undergoing a positive transition.

These abovementioned trends will be unpacked in detail at the [Africa Energy Indaba](#) in February 2019, where industry leaders will converge to discuss developments in the sector, capitalising on opportunities while mitigating associated threats. Key speakers at the Indaba will include: Sean Cleary: Strategic Concepts, Dr Christoph Frei: World Energy Council, H.E. Dr Matar Al Neyadi: Ministry of Energy of the United Arab Emirates, H.E. Minister Jeff Radebe: Department of Energy, South Africa, Dr. Ibrahim Mayaki: NEPAD Agency, Amandou Hott: African Development Bank Group along with many more energy luminaries. Having set the precedent of events in the energy sector, this indaba is not to be missed by anyone with a vested interest in the African energy sector.

Press Release Ends

ABOUT AFRICA ENERGY INDABA

An African Energy event for Africans and by Africans

2019 Theme: Africa's Energy Future

Africa's power and energy sector is a critical driver of growth and development across the continent. With vast natural energy resources ranging from coal, oil, gas, hydro, solar, wind and geothermal, there is ample choice for the discerning energy investor. Lack of access to electricity means that there is an opportunity for regional governments, energy businesses, organisations and financiers to unlock electricity access to millions of people who have don't have power. **The Africa Energy Indaba** is the continent's premier energy conference and exhibition: bringing together leading African and global energy players to unlock energy and business opportunities across the African continent. The event is the World Energy Council (WEC) regional event for Africa and has strategic partnerships with the South African National Energy Association (SANEA) and the NEPAD Planning & Coordinating Agency (NPCA).

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