SOUTH AFRICA

South Africa originally planned to release its draft climate change policy prior to the Copenhagen climate summit and now says it will produce it sometime in late 2010. During the climate summit in Copenhagen, President Jacob Zuma announced that the country would cut its emissions 34 percent below its business-as-usual projection by 2020.

In 2003, South Africa outlined its first strategy to expand clean energy capacity. At that time, the Department of Energy (DoE) set out to produce 10,000 gigawatt-hours from renewables to meet 4 percent of the country's energy needs by 2013. However, the only grid-connected renewable energy plants on line are three demonstration wind projects with a total capacity of 10 megawatts.

In a bid to address the slow uptake, national energy regulator Nersa introduced South Africa's first renewable energy feed-in tariff ("Refit") in March 2009. Wind, landfill gas, small-hydro and solar thermal electricity generation were the first four technologies to qualify to receive the benefit of the tariff with Nersa later adding five others. In recent months, the DoE has become more ambitious in seeking new clean energy capacity. It now targets 12.25 GW by 2013, mostly from independent power producers with the balance from state utility Eskom's 0.1 GW Sere wind farm and 0.1 GW solar projects.

While South Africa's plans are now more ambitious, it has yet to set aside sufficient funds to support its feed-in tariff program. There is the possibility that some portion could be raised from emissions taxes, such as the carbon vehicle tax which came into effect in September, 2010. The National Treasury estimates that this tax will raise about $60 million in the 2010/2011 fiscal year.

Since establishing Refit in 2009, South Africa has gathered a strong pipeline of project proposals, but no licenses have been awarded due to a slow permitting process. As of August 2010, Nersa had yet to finalize terms of standard power purchase contracts with renewable energy projects and not completed selection criteria for independent power producers to provide the power.

South Africa's adoption of clean energy capacity would certainly accelerate if it could streamline its permitting procedures to cut wait times for developers and financiers looking to build projects. The government could also expand the reach of its feed-in tariff program to include smaller-scale power generation such as 0.2 GW wind projects. Finally, it could set aside the funds necessary to underwrite Refit and spur project build-out.

FINANCE AND INVESTMENT (2009)*	
Total Investment	$125 million
G-20 Investment Rank	17
Percentage of G-20 Total	0.1%
5-Year Growth Rate	N/A

KEY CLEAN ENERGY TARGETS (2012)	
Renewable Energy (MW)	1,667

KEY INVESTMENT INCENTIVES	
Wind, Solar, Small-Hydro	Feed-in tariffs

NATIONAL CLEAN ENERGY POLICIES	
Carbon Cap	
Carbon Market	
Renewable Energy Standard	
Clean Energy Tax Incentives	
Auto Efficiency Standards	
Feed-in Tariffs	✓
Government Procurement	
Green Bonds	

*Includes investments in venture capital and public markets, and asset finance for all clean energy technologies including biofuels and energy efficiency.