



**KEYNOTE ADDRESS AT ERONGO RED 10TH YEAR
ANNIVERSARY DINNER**

By

Hon. Obeth Kandjoze, MP
Minister of Mines and Energy

01 JULY 2015

WALVIS BAY

Masters of Ceremonies,

Minister of Urban and Rural Development, Hon. Sophia Shaningwa

Deputy Minister of Urban and Rural Development, Hon. Derek Klazen

Regional Councillors present

Your Worship – The Mayors representing shareholder institutions

Local Councillors present

Captains of Municipalities and Town Councils

Captains in the electricity supply industry

Distinguished Ladies and Gentlemen

All protocol observed.

A very good evening to you all,

As we celebrate Erongo RED turning 10 years today, it is my pleasure and honour to address this evening. I am very pleased to be here as this event demonstrates that the electricity supply industry is undeniably growing.

One of the inventions that have changed how people live and experience the world is the invention of electricity. Electricity has become so essential in our lives that it would be difficult to live without it. Erongo RED plays a vital role not only in people's lives but most importantly for businesses especially in Erongo Region where there is so much invested in industries like mining and fishing.

Since independence, the electricity supply industry has gone through various phases of change. These changes were aimed at ensuring that the industry becomes sustainable and robust to meet ever the increasing growth in the country. Another reason for change was to regulate the pricing while delivering a good quality service to the end consumer

through economies of scales. Many of you present here will still remember the days when some of the towns were disconnected completely because of non-payment. However, since the creation of the REDs, no towns under the REDs were disconnected. These achievements could only be attained because of the government's initiative to create REDs through GRN ESI restructuring Policy. This policy paved way for the REDs to provide and distribute electricity through economies of scale and the pooling of human, operational and capital resources and prudent financial management.

The government also established a body to regulate the electricity supply industry. The regulation of the industry is the responsibility of the Electricity Control Board (ECB). Thus, the electricity industry in Namibia is fully regulated. Electricity Control Board (ECB) is also responsible for issuing of licenses for generation, transmission and distribution and to ensure that electricity users are not over charged whilst also ensuring that industry is operating sustainably.

Master of Ceremonies,

Allow me also to briefly share with you information regarding the emergency power constraint that occurred in May this year. As you are all aware, Namibia continues to import about 60% of electricity requirements from other countries such as South Africa, Mozambique, Zambia and Zimbabwe. On 21 May 2015, we experienced an interim power supply constraint. Zimbabwe, who is one of our suppliers, experienced a breakdown on their transformers at one of their major substations. The breakdown made it difficult for Zimbabwe to deliver agreed 80MW to Namibia. In addition, in South Africa, Eskom experienced some constraints forcing them to withdraw their power exports to other countries including Namibia. These events affected the guaranteed supply to Namibia.

However, we managed to get out of the woods and I would like to use this opportunity to thank NamPower for managing and bringing the situation under control. I also would like to thank all distributors and electricity users for responding constructively to our request to reduce their load and eventually relieving the capacity constraints.

Ladies and Gentlemen,

With abundance of natural resources available such as natural gas, solar and wind, Namibia should be in a position to reverse the electricity dependency by investing in these sources of energy generation. This will not only avoid dependency on foreign electricity imports but it will also improve the living standard of our people and add value to the local economy.

In order to mitigate the electricity challenges we are facing today, we must strive towards investing in a reliable base load power generation plant. Our Government's decision to develop the Kudu Gas Project shows that the government is determined to secure electricity supply and eliminate electricity shortages in Namibia. Therefore we should all supplement government efforts to turn Namibia into net electricity exporter. Without reliable electricity supply, industries such as fishing and mining will struggle, forcing thousands out of work and creating additional socio-economic challenges.

As you celebrate a decade of service excellence, it is equally important to pause and reflect on the future. You should now fully utilize the skills and experiences that you gained to expand and even do better for years to come. In the life of a human, 10 years seems to be like yesterday but for a company, 10 years is an achievement. Thus, it is fitting to express my

sincerest gratitude to the entire family of Erongo RED for their hard work as you strive to bring power to the people and to power the region. Congratulations on your 10 year anniversary!!

It is my hope that this achievement that we are celebrating tonight will further boost your commitment to distribute and supply electricity in the Erongo region.

Thank you.