

# Shocked

## Green energy and energy export, but no affordable electricity

Editorial by Martin Nicol

*South Africa's encouragement of renewable electricity and the push for green hydrogen, driven by global demand, raises a critical question: Will this energy transition truly benefit local communities, or will it simply create a new form of resource exploitation?*





**F**red Cornell was a prospector who identified the diamond fields in Alexander Bay in South Africa's Northern Cape. In 1910 he wrote this, later published in his book, *The Glamour of Prospecting*:

*The daily event [is] the departure of the miniature train carrying coke to O'okiep for the smelting out of the copper ore, which the return train brings back ... in hundreds of tons, ready for shipment to Europe to help swell the profits of that great quasi monopoly, the Cape Copper Company ... one cannot but deplore the fact that the many millions profit it has made since its inception some forty years ago have done so little towards the general development of Namaqualand, and that their railway-line of nearly 100 miles should have tended so little to open up the surrounding country. Indeed, but for the wharves, tugs, and primitive facilities for shipping copper at Port Nolloth, the mine at O'okiep, and the railway, Namaqualand generally is little the richer for the CCC. (1920, p. 95)*

The copper is now depleted, and the even greater monopoly, De Beers, has left the diamond fields. Minerals are a wasting asset. When they have been exploited and mined out, they are gone. This is, however, not the case with a new natural resource that is about to come out of the Northern Cape – green hydrogen and its parent, renewable energy.

The Northern Cape has attracted “the lion's share” (IPPO, 2021 p.8) of the renewable energy projects undertaken by independent commercial generators of electricity in South Africa to date. A total of 47 of the 90 projects that are operational are in the Northern Cape. These comprise more than half of the capacity of all the projects initiated under the government's policy to allow independent electricity providers to supply power for the national grid. As much as 61% of the total number of jobs created by the programme since its inception in 2010 have been in the Northern Cape. These numbered 52,705 for the province up to March 2025. In onshore wind, solar PV, and concentrated solar power investment, the Northern Cape leads all the other provinces (IPPO, 2025; Supplemental file).

Stephanie Borchardt, in her article, “Extractive legacies, local struggles, and the pursuit of social justice: Green energy development in South Africa's Northern Cape,” questions whether the new wave of development could “genuinely uplift local communities, or will it replicate the ‘boom-and-bust’ cycles of the past?”.

There are already worrying signs that positive impacts on the local economies do not last after initial local employment to construct the wind and sun power plants and the supporting infrastructure.



Although the Northern Cape is sending its renewable electricity into the national power grid (and is set to provide it also for the local production of energy-intensive hydrogen for export industries), “none of the operating producers have addressed local energy poverty or incorporated community energy needs into the Social and Economic Development (SED) programmes” which they have committed to.

The underlying intention of SED and Enterprise Development (ED) interventions is “meaningful, long-term benefits for local communities”. In this context, affordable electricity for all communities should surely underpin the development platform to be created when renewable energy is the new resource being produced?

Renewable energy plants are being dotted across the whole Northern Cape area, with its tiny settlements and poor inhabitants. And tens of thousands of jobs are promised for a new deep-water port 50km from Port Nolloth, which is planned for the Boegoebaai Special Economic Zone (SEZ) with chemical plants and electrolyzers producing green hydrogen.

Borchardt states that “robust regulatory oversight is essential to ensure that development benefits are equitably shared”. Robust oversight is not something for which South Africa is specially known. And it is hard to establish what the rules for SED commitments are.<sup>1</sup> They seem to be little more than vague guidelines.

Renewable energy investors in the Northern Cape have already spent R1,921.4 million on SED and R579.9m on ED (IPPO, 2025). SED programmes ought to encompass community energy needs – but they do not. Borchardt provides incisive commentary on the issue, suggesting that oversight of the actual terms of the renewable energy programme itself is what is needed.

Specifically: “A just transition must begin with ensuring reliable, affordable energy access for the communities most directly affected by energy infrastructure development.”

Other authors have concentrated comment on why renewables are desperately needed “to keep the lights on” (Swilling, 2023), on Eskom’s grid challenges and on the effects on communities in Mpumalanga of decommissioning coal. In the Northern Cape, the transition could provide both a mechanism for local development and resolve the need to improve the miserable prospects of rural communities.



*Photo by John Grobler © Oxpeckers Investigative Environmental Journalism.*

*IFAA thanks the OIEJ for their permission to use this photo, from The Boegoeberg Blues: A small Nama tribe holds the key to the Orange Oil Basin's future, <https://oxpeckers.org/2025/07/boegoeberg-blues/>*

But disappointments are as common as hardships in the history of this region. The Cape Copper Company ceased operations in June 1919, just before Fred Cornell's book was published. He added a footnote: "This closing down of the only industry in Namaqualand caused endless suffering to the wretchedly poor inhabitants, and was followed by a general exodus of the population."

He calls Port Nolloth "that fag end of creation itself". Admittedly this slur came after he described a hellish journey down the coast from "Buchu Bay" – "...crammed with more discomfort than all the rest of the trip put together! ... We were in rags, and so frayed and blistered by exposure that we were not recognised by people who knew us well in the little dorp."

The attraction of the area now is, ironically, the sun and wind Cornell found so troublesome. PV solar and wind can provide renewable energy to produce "green hydrogen".

There is a picture in *Glamour* of "two strangely shaped mountains, known as the Buchu Bergen":

*Directly below the steep face of Buchu Mountain we came across the most perfect little boat bay imaginable, surrounded by high rocks and almost circular, but with room only for a few lighters and small craft ... The whole coast is indescribably lonely and desolate, and, to add to its dreariness, scattered along the beach far above the high-water mark lie piles of driftwood, the accumulation of centuries... (p. 108)*



The electrical energy that will become available from the investments in the power projects across the province will more than meet the Northern Cape's own needs, according to the Independent Power Producers Office (IPPO), "effectively making it a net exporter of electricity to other provinces in future" (IPPO, 2021, p.8).

This is the statement of an exploiter, not a developer. Northern Cape communities will have to look sharp.

In the second academic article in this issue Abdel-Hakeem Mohamed and Eden Jacobs contribute an analysis on China's trade, investment and cross-border payment mechanisms in the SADC region. This was one of the outputs from a seminar on the Changing Political Economy of Africa held at the University of the Western Cape (UWC) in 2024 with the support of the National Institute for the Humanities and Social Sciences (NIHSS).

The commentary section of the journal contains contributions on disparate themes, some of which emerged from IFAA Forums. Shose Kessi reflects on the ten year anniversary of the "fallist" movement which began at the University of Cape Town with demonstrations against the legacy of Cecil John Rhodes, and then reverberated through student activism across South Africa and ultimately around the world.

Fred Hendricks takes up a current urgent debate on what is meant by academic freedom, and the appropriateness of 'university neutrality' in a time of extreme acts of state violence, including genocide.

IFAA staff member Bruce Kadalie and Boichoko Ditlhake from Kagiso Trust, who was the chairperson of the organising committee behind the Convention on National Dialogue of South Africa, elaborate on the presentations made at an IFAA Forum in August on the importance of the Social Compact, a timely intervention in the run-up to the National Dialogue later that month. Kenny Manduna weaves together the strands of a presentation he made to an IFAA Forum on artisanal and small scale mining in Africa.

Finally, we were deeply saddened by the death of Mary Turok, at the age of 92, who was one of the founding lights of both *New Agenda* and IFAA. We publish an inspiring tribute by her son Ivan, which

chronicles her lifetime of struggle against apartheid and in support of a better life for all.



Mary Turok, flanked by her son, Ivan, grand-daughter Caitlin (left) and daughter-in-law Elizabeth.  
Photo supplied by Turok family.

## REFERENCES

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- Swilling, M. (2023). Eskom and Energy: Large-scale renewables programme the only way to keep the lights on. *New Agenda*, 91 (1):36-51.

## ENDNOTE

<sup>1</sup> The government office that runs the programme to procure investments from potential producers of renewable energy releases an enormous quantity of data on performance every quarter. The reports are thick on infographics, but the details of the requirements regarding Economic Development are available only to "potential bidders who are required to purchase" the Request for Pre-Qualification and Proposal (RFP) document – for R25,000. However, "the RFP does not specify any mandatory Economic Development qualification criteria", the requirements being "aligned with the concept of 'specific goals' in the Preferential Procurement Policy Framework Act" (IPPO, 2024, pp. 2, 13).