

The ins and outs for energy in 2016

 By [Cindy Peters](#)

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Prices are going up, the nuclear deal's going down, natural gas wants in, renewables are certainly not out, and lithium-ion batteries are here to stay. These are some of the trends in the energy sector for 2016.

Energy price on the increase

The cost of energy in South Africa will [continue to increase in 2016](#), this is according to energy manager Hope Mashele, writing for ESI Africa. His view is that the overall investment in the country's biggest built programme for electricity generation to date will mean higher than inflation increases in electricity tariffs for the foreseeable future. Add the impending implementation of the Draft Carbon Tax Bill next year and you'll find consumers and business having to fork out even more cash.



["Kusile Power Station - 002"](#) by Leo za1 / © Rute Martins of Leo's Photography. Licensed under CC BY-SA 3.0 via Commons

Campaigning continues against nuclear

The procurement process for South Africa's proposed nuclear build has been [initiated by the Department of Energy](#) which has begun requesting proposals from the nuclear industry. The broader process, said to span 15 years, has already come up against much protest. We can expect more campaigning from opponents during the course of 2016 - the cost of the project is central to their argument against nuclear as it is estimated at R1tn, and where that money will come from is still unclear.

Adding more natural gas to the mix

Webb Meko, regional business development director of Black & Veatch Sub-Saharan Africa, believes Africa's natural gas supply has the potential to radically transform the continent in terms of industrialisation and socio-economic growth.

"There is no doubt energy needs are constant and today's natural gas is cheaper, more consumer-friendly, and can be tapped with progressive methods; provided it forms part of a well-thought-out energy mix. In South Africa, gas could also potentially bridge the electricity supply gap, and South Africa's Integrated Resource Plan (IRP) 2010-30 for electricity leaves room for a greater role for gas," says Meko.

Double the renewables

According to IHS, a market research firm, there will be a [slowdown in global solar PV demand](#) growth in 2016. However, Mashele says small-scale renewable growth for South Africa could be [double that seen in 2015](#) owing to rising electricity rates and falling prices for renewables imported from China. China will remain the [world's leading producer](#) of photovoltaic solar cells, according to Sven Lindström, co-founder, chairman and CEO of solar tech company Midsummer AB.



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Batteries for the win

As the [cost of lithium-ion batteries fall](#), they will "increasingly be used to power electric cars, help manage the power grid and store energy for buildings in 2016", says Katie Fehrenbacher of Fortune.com. While a product like the Tesla PowerWall is yet to be affordable enough for the average South African consumer, the possibility of being 100% off the power grid is certainly enticing enough a trend to hold out for.

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