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SBIDZ

Media Release

Why Saldanha Bay is a potential hydrogen fuel export hub

- Global demand for hydrogen fuel is growing
- Several reports identified Saldanha Bay as potential hydrogen export hub
 - Hydrogen fuel is shaping the future global seaborne trade
- Developing a green hydrogen economy would benefit the community

More than 75 people logged into the 2nd Energy Transition Webinar on 12 April hosted by the Saldanha Bay Innovation Campus (SB-IC) to hear a panel of experts talk about the future of hydrogen fuel.

The keynote speaker was Thomas Roos from the Council for Scientific and Industrial Research (CSIR), one of the authors of the report *Powerfuels and Green Hydrogen*, prepared under the auspices of the EU-South Africa (EU-SA) Partners for Growth programme. Roos said the Saldanha Bay region had excellent solar and wind resources that had the potential for large renewable energy electricity at competitive costs.

“Electricity is a contested space in South Africa,” said Roos. “This potential far exceeds local demand, and export potential is limited: neighbouring countries’ economies are small, and there is no high-voltage, direct current (HVDC) transmission lines to European markets. But if we could export renewable electricity as molecules rather than electrons, this would overcome that challenge [for the large European and other markets].”

To produce hydrogen fuel – molecular fuel – requires water and a substantial amount of electricity. The solution, said Roos, was to use that renewable energy source to produce energy in a molecular form – hydrogen – which can then be exported.

Roos described how the war in Ukraine had accelerated the transition in Europe toward renewable energy. According to *REPowerEU: Joint European action for more affordable, secure and sustainable energy*, the EU will increase its demand for larger volumes of renewable hydrogen imports. For example, Germany will require 2.7 million – 3.0 million tonnes of hydrogen fuel per year by 2030. Japan is looking at 5 million – 10 million tonnes by 2050.

Panellists Marlett Balmer, employed by GIZ in the South African green hydrogen programme focusing on research, innovation, capacity building and green hydrogen sector development, said this was an excellent opportunity for South Africa.

She pointed out that the country has an enormous advantage because of the wealth of experience in organisations like SASOL and through the development of the Renewable Independent Power Producer Programme (REIPPP), which firmly focused on how to structure community benefits. She added that what was required now was providing the training for the skills needed to follow through on the energy transition and for investors to come to the party.

Katrina Abhold, Project Lead – Global Opportunities at the Global Maritime Forum (GMF), echoed this sentiment. She said the GMF had looked at the opportunities to produce scalable hydrogen fuels and that Saldanha Bay was an ideal location. “It has the space, is on a major shipping route and has access to strong renewable energy sources [solar and wind],” she said. She went on to say that to service the maritime sector, 80% of the infrastructure spend would need to be on the landside of the port. These included desalination plants, production

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and storage facilities and retrofitting existing plant to deal with the transition. Abhold was also optimistic about the potential community-level benefits of developing a green hydrogen economy.

George van Rensburg, managing director of Keren Energy, said the company's hydrogen project in Vredendal was proof that this was a viable option for the region.

Moderator Adinda Preller, SBIDZ Executive: Transaction & Investor Support, said that the Innovation Campus webinars looked to create awareness, build partnerships and position it as a collaborator with other special economic zones (SEZs) to harness the opportunities brought on by the energy transition.

The 3rd Energy Transition Webinar will take place on the 7th June 2022 and the theme will be Hydrogen Based Steel Production.

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