



Centre for Environmental Rights

Advancing Environmental Rights in South Africa

Department of Energy

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Copied to:

The Honourable Minister Ms Mmamoloko Tryphosa Kubayi Minister of Energy

By email: zoleka.ndudane@energy.gov.za

Tshepo Madingoane

Energy Planning

Department of Energy

By email: Tshepo.Madingoane@energy.gov.za

Our ref: NL/RH
11 August 2017

Dear Sirs

ADDITIONAL WRITTEN COMMENTS ON THE INTEGRATED RESOURCE PLAN (IRP) UPDATE: ASSUMPTIONS, BASE CASE RESULTS AND OBSERVATIONS, REVISION 1 AND ON THE DRAFT INTEGRATED ENERGY PLAN (IEP): MISSING COSTS

1. We address you on behalf of the Life After Coal Campaign (made up of the Centre for Environmental Rights (CER), groundWork and Earthlife Africa Johannesburg). We refer to the CER's submissions on the IRP Base Case and Assumptions and the draft IEP made on 31 March 2017.¹ The submissions of groundWork and Earthlife Africa are attached hereto. The purpose of this correspondence is to bring to your attention important information that emerged since we made our submissions, to ensure that it is taken into account as you prepare updated versions of these documents for comment. We have addressed similar correspondence to the Council for Scientific & Industrial Research (CSIR).
2. As you are aware, the CSIR prepared what it referred to as a "comprehensive alternative" to the Department's IRP. The Life After Coal Campaign, together with Greenpeace Africa, welcomed the rigorous research undertaken by the energy unit of the CSIR, but criticised the failure of this alternative IRP to adequately take into account the health and water cost of existing and new investments in coal. As you are aware, we also criticised the Department's draft IRP for this failure. The critique of the CSIR's alternative RP is available at <https://cer.org.za/news/joint-media-release-cost-of-health-and-water-impacts-of-coal-still->

¹ <https://cer.org.za/wp-content/uploads/2016/08/CER-IRP-Base-Case-IEP-Comments-31-3-2017.pdf>

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missing-from-energy-plans. These critical externalities must be considered in the Department's modelling of energy costs and options.

3. Also subsequent to our 31 March 2017 comments, we commented on the draft climate change impact assessment for Thabametsi coal-fired power station, one of two preferred bidders in the Coal Baseload Independent Power Producer Procurement Programme (CBIPPPP). In obtaining expert assistance in preparing these submissions (available at <https://cer.org.za/news/media-release-thabametsi-climate-impact-assessment-reveals-staggering-greenhouse-gas-emissions>), we became aware that the circulating fluidised bed combustion (CFB) technology planned to be employed by Thabametsi, and various other independent power producers in the CBIPPPP, results in significant emissions of nitrous oxide (N₂O). In short, the CFB technology proposed for Thabametsi means that the plant will be significantly worse in terms of greenhouse gas (GHG) emissions than existing and older coal plants, and only about the same as the oldest sub-critical Eskom units. As a new plant – which should be comparable with other new coal plants – Thabametsi will be 60% worse than Eskom's new Medupi and Kusile power stations, from a GHG emission intensity perspective. So while Thabametsi is clearly not 'newer and better', it is, notably, much worse than South Africa's existing GHG emitters, which already significantly contribute to the country's GHG emissions. It is clear that the nitrous oxide emissions of CFB were not given adequate – or any – consideration in the Department's modelling. This failure must also be remedied.
4. The Department should also remedy the various other omissions from the costing model. In relation to nuclear costs, for example, the following costs must be quantified and included: the decommissioning cost; the used fuel storage and handling costs; and the cost of insurance risk cover.² It is wholly insufficient only to consider the cost of construction; the cost of operation, and the cost of fuel.
5. In the circumstances, we call upon the Department to include all of these “missing” costs in its modelling, as a failure to do so would not enable a fair, accurate, and reasonable assessment of the various energy options and the consequences of such options.
6. Please acknowledge receipt of this letter, and confirm that the Department will take these crucial issues – which are relevant considerations for the purposes of the Promotion of Administrative Justice Act, 2000 - into account. Given the fact that comments on the draft IRP are currently under consideration and that indications are that the IRP will be finalised at the latest by February 2018, we would appreciate your urgent response.

Yours sincerely

CENTRE FOR ENVIRONMENTAL RIGHTS

per: 

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² See, for instance, the fairly conservative figures in NEA, OECD, 2016 *Costs of Decommissioning Nuclear Power Plants*, available at: http://www.keepeek.com/Digital-Asset-Management/oecd/nuclear-energy/costs-of-decommissioning-nuclear-power-plants_9789264255555-en#.WY1rwUjHIU#page1

