

Mr David Mahlobo, MP
Minister of Energy
By email: zinhle.mbhele@energy.gov.za;
deidre.nkopane@energy.gov.za
vusimuzi.sekgobela@energy.gov.za
nokuthula.mbeje@energy.gov.za

Copies to:
Ms Kate Dire and Mr Dumisane Mahlangu
By email: events@energy.gov.za

28 November 2017
URGENT

Dear Minister

JOINT LETTER REGARDING THE ENERGY INDABA ON 5-6 DECEMBER 2017

1. This letter is sent on behalf of the organisations listed below. On 24 November 2017, we received the invitation to attend an energy indaba on 5 and 6 December 2017. On 28 November 2017, we received notification that the dates had been changed to 7 and 8 December 2017. As explained below, it appears that the indaba will relate to the ongoing draft Integrated Energy Plan (IEP) and the draft update to the Integrated Resource Plan (IRP) for Electricity. Whilst we welcome - and insist on - the opportunity to participate in any decision on South Africa's energy future, we write to convey our serious objections in relation to the process that has been followed regarding the draft IEP and IRP Update.
2. We record that those of us who participate in the energy indaba do so with the full reservation of our rights to challenge this process, the IEP, the IRP Update, and any other decisions, determinations, or other administrative acts undertaken by the Minister and/or the Department of Energy ("the Department") in relation to South Africa's energy future. For all the reasons set out in this letter, those who attend the indaba record that it does not constitute adequate public participation for decision-making on the IEP, the IRP Update, or any other decisions, determinations, or other administrative acts for the purpose of just administrative action.

The planned indaba

3. Firstly, it is not clear what the purpose of the indaba is. Many organisations made comments on the draft IEP and IRP Update, and also requested copies of various documents necessary in order to make meaningful representations. No response was received in relation to any of those comments. Indications are that there will be no further opportunity to provide written input into the draft IEP and IRP Update;¹ alternatively that the indaba will purport to constitute such opportunity.²

¹ For example in response to the Parliamentary Question NW2296 dated 29 September 2017, in which the then Minister of Energy indicated that: "The process for consultation on IRP and IEP has been concluded with the public. The current process is to finalise the policy document and gazetting the final document for implementation. Consultation on the policy is concluded and final documents will be published".

² <https://www.businesslive.co.za/bd/national/2017-11-21-mahlobo-announces-energy-indaba-for-public-participation-on-nuclear-programme/>.

4. If the indaba is being held in an attempt to solicit public participation on the draft IEP and IRP Update, it fails to provide an adequate or reasonable opportunity for interested parties to be heard. We dispute that the indaba can serve as any public participation process for decision-making. The notice of the indaba is unreasonably short, which is made worse by it being scheduled at a very busy time of year, and in only one venue in Gauteng. As a result, many affected people, communities, and organisations will not be able to attend, which violates their rights to be heard.
5. In addition, no agenda has been provided for the indaba, which makes it impossible to prepare adequately and to participate meaningfully. We request that a detailed agenda for the indaba be shared with all stakeholders by the morning of 30 November 2017, given that registration is required by 30 November 2017.
6. We note that the registration form invites people to indicate whether their “nature of business” is any of the following: petroleum, nuclear, gas, electricity, renewable, or “other”. It is not at all clear what is meant by these divisions, which ignore the overlapping issues affecting the energy sector, and the wide and diverse range of other interests in the energy sector. Inexplicably, and despite its major impacts on climate, air quality, water, soil, and constitutional rights, coal is not mentioned as one of the categories.

Access to information

7. In addition, on 31 July 2017, the Centre for Environmental Rights (CER), representing groundWork, submitted a request for access to information in terms of the Promotion of Access to Information Act, 2000 (PAIA) to the Department of Energy (DoE or “the Department”). In this request,³ access was requested to certain technical reports that underpinned the IRP process; in particular:
 - 7.1 All records prepared by or on behalf of the Department reflecting the tariff implications of:
 - 7.1.1. The DoE’s preferred base case for the IRP;
 - 7.1.2 The least cost unconstrained IRP scenario requested by the Ministerial Advisory Council on Energy in its 31 October 2016 report;
 - 7.2 All technical reports – and all updates thereto - which underpin the energy modelling and have been used as inputs to the current IRP/IEP process, including:
 - 7.2.1 Annexure A – Technical Report – Demand Modelling Report (used as input into the 2013 IRP/IEP process);
 - 7.2.2 Annexure A: Part 2 – Technical Report on Model Output – Optimisation Model Output (used as input into the 2013 IRP/IEP process);
 - 7.2.3 Annexure B – Model Input and Assumptions: Optimisation Model (used as input into the 2013 IRP/IEP process; and
 - 7.2.4 Annexure A – “Forecasts for electricity demand in South Africa (2014 – 2050) using the CSIR sectoral regression model”; and
 - 7.3 Any further or other plans and reports used to prepare the IRP Update Assumptions, Base Case Results and Observations (Revision 1 – November 2016).

³ Copies of all the documents referred to are available on request.

8. In terms of the PAIA's requirements, a response was due by Friday 15 September 2017. However, no response was received to the request, despite numerous follow-up correspondence and telephone calls.
9. On 6 October 2017, the Department sent an email to the CER, directing them to various documents on the IRP website, such as:
 - 9.1 Draft 2012 IEP report;
 - 9.2 Annexure A: Technical Report Part 1: Demand Modelling Report;
 - 9.3 Annexure A: Technical Report part 2: Optimisation Modelling Report;
 - 9.4 Annexure B: Model input and Assumptions;
 - 9.5 Integrated Energy Plan Report;
 - 9.6 Integrated Energy Plan: Scenarios for Liquid Fuel Supply;
 - 9.7 IEP Annexure A: Technology Assumptions (Technology Costs & Technical Parameters);
 - 9.8 IEP Annexure B: Macroeconomic Assumptions;
 - 9.9 IEP Annexure C1: Energy system externalities in South Africa;
 - 9.10 IEP Annexure C2: Strategy to reduce the health impacts associated with air pollution from coal combustion;
 - 9.11 IEP Annexure C3: Report on mercury determination from coal;
 - 9.12 IRP Assumptions, Base Case and Observations;
 - 9.13 EPRI Report; and
 - 9.14 Electricity Demand Forecasts.
10. In correspondence of 6 October 2017, the CER highlighted the inadequacy of the Department's response (which were simply links to data and reports already available online), and requested that the Department facilitate access to the requested records.
11. On 11 October 2017, Ms. Saandhri Naidoo of the Department indicated to the CER, telephonically, that the request was "too broad", and that, to facilitate access, it would be in its interests to narrow its scope.
12. As a result, on 23 October 2017, the CER clarified that the following documents were requested:
 - 12.1. Detailed input assumptions sheets for all IRP scenarios; which include the actual Excel sheets that indicate which inputs have been used in the IRP model. Such inputs are for example (for each technology):
 - 12.1.1 Overnight cost (R/kW);
 - 12.1.2. CAPEX (R/kW), which includes the Interest During Construction (IDC) on top of overnight cost and is the final model input;
 - 12.1.3. Fixed Operations and Maintenance Cost (FOM, R/kW/yr);
 - 12.1.4. Variable Operations and Maintenance Cost (VOM, R/MWh);
 - 12.1.5. Fuel cost (R/GJ);
 - 12.1.6. Heat rate (kJ/kWh);
 - 12.1.7. CO₂ emission factor (kg/MWh);
 - 12.1.8. Water usage (l/MWh) etc.;
 - 12.1.9. For solar PV and wind, the input profiles that have been used must be made available;
 - 12.1.10. For all technologies which have assumed future cost reductions, the above parameters (CAPEX, FOM, VOM, etc.) need to be made available for every year until 2050; and

- 12.1.11. For all technologies, assumed capacity factors;
- 12.2. Further input assumptions which need to be provided in detailed Excel format are:
 - 12.2.1. Energy demand forecast in TWh/yr for each year;
 - 12.2.2. Peak demand forecast in GW for each year; and
 - 12.2.3. Actual hourly demand profile that went into the model for a couple of years from today to 2050, for example 2020, 2025, 2030, 2040 and 2050 (12.2.1. and 12.2.2. can then be derived from that);
- 12.3. Detailed output sheets for all scenarios. The information below is required for each scenario; including the actual Excel sheets which contain information which reflects the:
 - 12.3.1. Installed capacity in GW in each year for each technology;
 - 12.3.2. Energy produced in GWh/yr in each year from each technology;
 - 12.3.3. Wind/solar energy curtailed in GWh/yr (if any);
 - 12.3.4. Capacity additions in GW/yr in each year for each technology;
 - 12.3.5. Capacity decommissioning in GW/yr in each year for each technology;
 - 12.3.6. Resulting total system cost in R/yr in each year, broken down into CAPEX-related cost, FOM, VOM and fuel for each technology;
 - 12.3.7. Resulting average electricity tariff in each year;
 - 12.3.8. Total CO₂ emissions per year;
 - 12.3.9. Total water consumption per year;
 - 12.3.10. Actual hourly supply profile for each technology for a couple of years from today to 2050, for example 2020, 2025, 2030, 2040 and 2050 (12.3.1. and 12.3.2. can then be derived from that);
- 12.4. Constraints on the model (if any constraints have been put on the model) must be documented and explained; such as:
 - 12.4.1. Annual new-build limits for renewables in MW/yr;
 - 12.4.2. Explanation for new-build limits for renewables, which could include studies such as:
 - 12.4.2.1. Detailed grid studies (technical, cost);
 - 12.4.2.2. Detailed land requirement studies (e.g. strategic environmental assessments); and
 - 12.4.2.3. Detailed industry capacity and supply chain studies;
- 12.5. Additional questions related to the modelling of transportation fuels (petrol and diesel) demand and supply. Particularly the “model assumptions” as to:
 - 12.5.1. Base case bulk freight demand and projected growth in bulk freight (in ton-kms); base case and projected split between rail and road bulk freight;
 - 12.5.2. Base case general freight demand and projected growth in general freight (in ton-kms); base case and projected split between rail and road general freight;
 - 12.5.3. Base case and projected change in modal split between road and rail freight transport;
 - 12.5.4. Base case and projected growth in passenger-kms; base case and projected passenger-km split between passenger vehicle technologies (petrol/ diesel,

- by fuel consumption class rather than engine capacity class; hybrid; EV); base case fuel (petrol diesel) efficiency for each technology and projected improvements in fuel efficiency, for each technology;
- 12.5.5 Base case and projected split (in passenger-kms) between different modes of public transport - passenger rail, BRT (Bus Rapid Transport) and mini-bus taxi; base case and projected average energy efficiencies, as energy units per passenger-km, for each mode of public transport; and
 - 12.5.6. Projected passenger shifts between different transport modes, from private passenger vehicle to one or other mode of public transport; and
- 12.6. A compilation of consolidated comments received on the IRP.
13. More than a month has now passed since additional detail was provided on the request and a response still remains outstanding.
14. In addition, we request copies of all scenarios (we understand there were 15) presented by the IRP team to the Department. This includes the five broad scenario options, referred to by Eskom as: the Reference Case; the Optimum Plan; the Low Growth Scenario; the Carbon Budget Plan; and the Forced Nuclear scenario.
15. Without access to the relevant documents, interested parties are not able to provide critical meaningful input on the draft IEP and IRP Update, or to have a reasonable opportunity to participate sensibly in the indaba. In any event, records requested from a public body in terms of PAIA must be provided, unless there is a lawful ground to refuse the documents in terms of PAIA. We submit that no such refusal ground exists; and, in any event, any ground for refusal would be trumped by the public interest override in PAIA.

Consultation

16. We do not only require copies of these documents, but also a reasonable opportunity to: analyse them, with expert assistance; to ask questions about the documents; and to respond to the documents. Many crucial comments were made on the draft IEP and IRP Update which would have required substantial changes to the draft plans presented for comment in November 2016. An adequate opportunity must also be provided for stakeholders to assess the updated draft IEP and IRP Update, and to interrogate and respond also to these updated plans.
17. It is important to point out that many parties participating in the IRP consultations represent communities and/or large constituencies. A reasonable period of time is required for adequate consultation and discussion with all affected stakeholders.

Conclusion

18. In the circumstances, kindly provide us with the following as a matter of urgency:
- 18.1 an indication as to the timing of the publication of the draft IEP and IRP Update, as well as an indication of the period that will be provided to make written submissions of these drafts;
 - 18.2 a detailed agenda for the indaba, as well as an indication as to its purpose - by the morning of 30 November 2017; and

18.3 access to the requested documents as a matter of urgency, and at least by 1 December 2017.

19. In summary, the public importance and the far-reaching implications of the IEP and IRP Update in determining a sustainable energy future for South Africa cannot be overstated. Scheduling an 'energy indaba' on such short notice, and with no indication of the status or intent of this gathering cannot serve as meaningful consultation of stakeholders on major investment decisions, or indeed any national plans or proposals that may be tabled at or in the remaining days before this event. It is also unclear how the enormous number of interested and affected people would be in a position to travel to and participate meaningfully in this event.

20. We reiterate that accepting the invitation of the Minister of Energy and willingness to engage on issues that need to be addressed through energy planning, in the first week of December 2017, should not be regarded as an admission of having been meaningfully consulted on any procurement processes, electricity system plans, or energy development propositions not currently in the public domain.

21. All of our rights are reserved.

Yours sincerely

African Climate Reality Project
Alternative Information & Development Centre
Association For Rural Advancement
Association for Water and Rural Development
Centre for Environmental Rights
Coalition for Environmental Justice
Dargle Conservancy
Earthlife Africa Johannesburg
Far South Peninsula Community Forum
Federation for a Sustainable Environment
Frack Free South Africa
Greenpeace Africa
Highveld Environmental Justice Network
groundWork
Mpophomeni Conservation Group
People's Health Movement South Africa
Project 90 by 2030
South Durban Community Environmental Alliance
Southern African Faith Communities' Environment Institute
Support Centre for Land Change
Vaal Environmental Justice Alliance
WoMin
WWF South Africa