

The Honourable Minister Jeff Radebe
Minister of Energy
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Copied to:

Mr Thabane Zulu
Director General
Department of Energy
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Our ref: CER 12.4/RH/NL
16 April 2018

Dear Minister

THE UPDATED INTEGRATED RESOURCE PLAN FOR ELECTRICITY (IRP) AND INTEGRATED ENERGY PLAN (IEP)

1. We address you as the **Life After Coal/Impilo Ngaphandle Kwamalahle**¹ Campaign (made up of the Centre for Environmental Rights² (CER), groundWork and Earthlife Africa (“Earthlife”)³, and **Greenpeace Africa**.⁴
2. We refer to our recent letters to your office, particularly: the Life After Coal Campaign’s letter of 28 February 2018;⁵ Greenpeace Africa’s letter of 7 March 2018;⁶ and the joint letter from the Life

¹ Website available at <https://lifeaftercoal.org.za/>.

² Website available at: <https://cer.org.za/>

³ Website available at: <http://earthlife.org.za/>

⁴ Website available at: <http://www.greenpeace.org/africa/en/>

⁵ This letter is available at https://cer.org.za/wp-content/uploads/2018/04/LAC-Letter-to-Minister-Radebe_28-Feb-2018_final.pdf

⁶ This letter is available at: https://cer.org.za/wp-content/uploads/2018/03/Letter-to-Minister-Radebe_March-2018.pdf

After Coal Campaign and Greenpeace Africa of 22 March 2018.⁷ We look forward to your response to these letters, which, collectively, communicated:

- 2.1. our concerns around the need for adequate, reasonable public consultation in relation to the updated integrated resource plan for electricity (“the IRP”);
 - 2.2. why coal and nuclear are not needed in South Africa’s electricity mix; and other concerns around the content of the updated IRP;
 - 2.3. circumstances around the need for a rapid and just transition from coal to renewable energy; and
 - 2.4. a request to meet with you at your earliest convenience.
3. We also refer to our earlier letters to the previous Minister of Energy – David Mahlobo – of 28 November 2017 and 7 December 2018, in respect of which we have also not received a response. These letters also set out our and our partners’ concerns around, *inter alia*, the need for adequate public consultation in relation to the IRP.
 4. We note recent statements in the media, indicating, *inter alia*, that the IRP (according to Director-General Thabane Zulu) is a “high priority” and is set to be published soon, and that public consultation on the IRP update had taken place in 2016 and 2017.⁸
 5. What is concerning to us is that it appears that the IRP update will not be made available for public consideration and comment before it is published. Please advise if this is so?
 6. As you may recall, in our letter of 28 February 2018, we noted that, to date, there has only been one opportunity for the public to provide input into the draft IRP update – and this being only on the base case and assumptions for the IRP update (which contained numerous significant inaccuracies and irregularities as highlighted in the comments of various stakeholders⁹) - and on the draft Integrated Energy Plan (“the IEP”), published in November 2016. No further opportunity has been given to the public to consider and give input on the various scenarios to be applied to the IRP update or to the policy-adjusted IRP before publication. It is also not clear that the version of the IRP to be published is even based on the draft 2016 IRP update which was the subject of consultation. David Mahlobo advised, in late 2017, that the IRP to be published would simply be the 2010 IRP with adjustments made for changes in electricity demand.
 7. Evidently there is much uncertainty around the IRP, and we place on record that the public has – to date - not been adequately consulted and updated on the content or process in adopting and finalising the IRP. This is unacceptable, as rational and lawful decision-making in relation to South Africa’s electricity plans requires that the public be consulted.

⁷ This letter is available at: https://cer.org.za/wp-content/uploads/2018/03/LAC-and-GP-letter-to-Minister-Radebe-on-IPPs-22-3-18_signed.docx.pdf

⁸ Article available at: http://m.miningweekly.com/article/high-priority-irp-update-to-be-published-soon-2018-04-10/rep_id:3861

⁹ These comments have been made available on the CER website:

(i) CER comments of 31 March 2017 on the Draft Integrated Resource Plan and Integrated Energy Plan:

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

(ii) CER’s additional written comments of 11 August 2017 on the IRP: update, assumptions, base case and observations, revision 1, and the IEP: missing costs:

https://cer.org.za/wp-content/uploads/2016/08/CER-Letter-to-DoE-re-IRP_11-Aug-2017.pdf

(iii) Further CER submissions of 20 November 2017 on the draft IRP and IEP update:

<https://cer.org.za/wp-content/uploads/2017/11/CER-Letter-to-DOE-20-11-17.docx.pdf>

8. We further note that, according to statements made by Mr Thabane Zulu at the 6th Annual Africa Power Roundtable Conference:
 - 8.1. a meeting with lawmakers on the IRP, which guides the Ministerial determinations required for all power generation investments in South Africa, is currently set down for April 17;
 - 8.2. the coal and gas IPP programmes had been placed on hold to ensure full alignment with the updated IRP. However, neither the coal nor the gas-to-power programmes had been abandoned - these would resume once there was policy certainty;
 - 8.3. the Department of Energy sought legislative certainty on the issue of ownership and transformation, so as to ensure that the ownership policy integrated into the IPP programmes was not vulnerable to legal attack; and
 - 8.4. the Department of Energy does not want to make decisions, only to spend a lot of time in court trying to justify those decisions.
9. While we support the sense of urgency demonstrated by the Department of Energy in relation to policy certainty within the electricity sector and the conclusion of an infallible IRP, we again emphasise that decisions on South Africa's energy mix must be: taken with full transparency; within a fair process; based on accurate and current data; and taken with proper regard to what is in the best interest of all South Africans.
10. In the abovementioned letters to the Minister, in particular, the 28 February 2018 Life After Coal letter, we set out the **minimum requirements** for an updated IRP, these being that:
 - 10.1. it must **promote the realisation of the fundamental human rights in the Constitution**, in particular the rights: to an environment not harmful to health or well-being, and to have the environment protected for the benefit of present and future generations (section 24); to equality (section 9); to human dignity (section 10); to life (section 11); of access to information (section 32); and to access to food and water (section 27). In this regard, there must be a full assessment into the impacts of different technology and energy source choices on these constitutional rights;
 - 10.2. the Base Case scenario should be **the least cost combination of technologies** to achieve South Africa's electricity requirements. After that, policy adjustments and constrained scenarios can be run, but any deviation from the least cost should be made public and fully explained, so that policy-makers and the public are able to make a value-for-money assessment of the deviation;¹⁰
 - 10.3. it must take **full account of the external costs** of the different technologies, ensuring that all external costs to human health, the environment, and the climate are factored into cost calculations in respect of different technology options;¹¹
 - 10.4. it must be **based on only the latest, accurate projections and input data**, including data on South Africa's GDP, electricity demand (with proper consideration of improved energy efficiency and grid deflection), and technology cost and price comparisons;
 - 10.5. it must clearly indicate and **explain all assumptions on which all modelling is based**, and it must verify and reference all sources of information, findings and conclusions; including those regarding job creation; GDP forecasts; energy-intensity; learning rates; and costs of different technology options;
 - 10.6. it must **not arbitrarily constrain or limit renewable energy projections and investments**;

¹⁰ https://cer.org.za/news/joint-media-release-what-we-expect-from-sas-integrated-resource-plan-for-electricity#_ftn1.

¹¹ https://cer.org.za/news/joint-media-release-what-we-expect-from-sas-integrated-resource-plan-for-electricity#_ftn2.

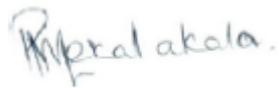
- 10.7. it must be **based on the latest scientific information and international best practice**, including the latest scientific conclusions on climate change, which clearly indicate that keeping global temperature rise to below 1.5 degrees Celsius is critical to avoid catastrophic climate change;
 - 10.8. the electricity sector carbon constraint must be derived from **integrated, full sector energy planning**. It must, at a bare minimum, take into account South Africa's mitigation commitments in its Nationally Determined Contribution (NDC) under the Paris Agreement and **be consistent with South Africa's current and likely future obligations under the Paris Agreement and the United Nations Framework Convention on Climate Change, as well as South Africa's National Climate Change Response Policy**. The NDC commitments must not be modelled as a potential future scenario, but as an **existing** commitment, with which South Africa has undertaken to comply. It must also take into account that South Africa will need to submit stricter and more rigorous mitigation commitments in its NDC every 5 years. It should take into account that decarbonising the electricity sector is the lowest cost mitigation option for the country to meet these international commitments;
 - 10.9. it must be **consistent with South Africa's other international obligations**, including the Convention on Biological Diversity, the international law obligations to avoid transboundary air pollution and regional water treaties;
 - 10.10. it must **take into account the international move away from fossil fuels and nuclear power** and the financial implications of future stranded assets, the loss of agricultural land and water resources due to coal mining, the cost of decommissioning and the rehabilitation of land of coal plants, and of nuclear decommissioning costs – including the implications of managing the long-term risk of nuclear waste – as a result of proceeding with plans for future new coal and nuclear projects; and
 - 10.11. it must be **consistent with the requirements of national legislation**, as well as the objectives of the Electricity Regulation Act, 4 of 2006, including ensuring that the interests and needs of present and future electricity customers and end users are safeguarded and met, and promoting the use of diverse energy sources and energy efficiency.
11. We reiterate that the above requirements must – as a minimum – be met by any revised IRP, and we again call for an opportunity for the public to consider and comment on the draft revised IRP before it is promulgated. We submit that a failure to do so would render any promulgated IRP update vulnerable to legal challenge.
 12. As mentioned above, we understand that a meeting with “lawmakers on the IRP” is set down for 17 April 2018.¹² We request – with the hope (shared by the Department) of avoiding unnecessary and resource-intensive legal action – that the above concerns are brought before the relevant lawmakers in your meeting, and that you provide us with an update on the outcome of the meeting.
 13. We reiterate our request for a meeting with you, and we would appreciate an opportunity to discuss the status of the IRP, the coal baseload independent power producers (IPPs), and Eskom, in particular.
 14. We look forward to your response.

¹² http://m.miningweekly.com/article/high-priority-irp-update-to-be-published-soon-2018-04-10/rep_id:3861.

Yours faithfully



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