



Centre for Environmental Rights

Advancing Environmental Rights in South Africa

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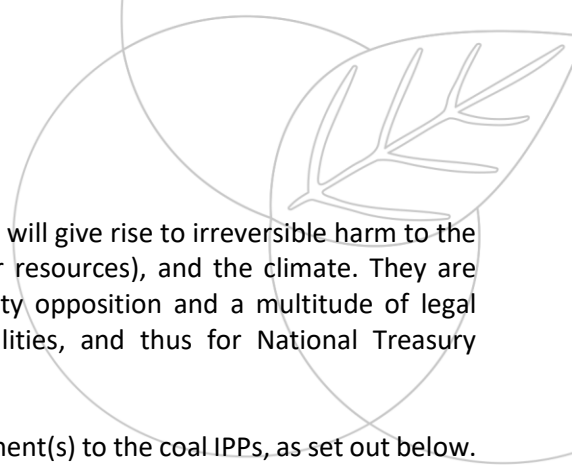
Dear Minister

THE LIFE AFTER COAL CAMPAIGN - CONCERNS AND RISKS RELATING TO THE PROPOSED INDEPENDENT POWER PRODUCER (IPP) COAL-FIRED POWER STATION PROJECTS UNDER BID WINDOW 1 OF THE COAL BASELOAD IPP PROCUREMENT PROGRAMME

1. We address you on behalf of the [Life After Coal/Impilo Ngaphandle Kwamalahle Campaign](https://lifeaftercoal.org.za/) – made up of the [Centre for Environmental Rights](https://www.cer.org.za/) (CER), [groundWork](https://www.groundwork.org.za/) and [Earthlife Africa](https://www.earthlife.org.za/).¹ The Life After Coal Campaign aims to: discourage the development of new coal-fired power stations and mines; reduce emissions from existing coal infrastructure and encourage a coal phase-out; and enable a just transition to sustainable energy systems for the people.
2. The Life After Coal Campaign writes to congratulate you on your appointment as Minister of Finance. We trust that you will provide strong governance and rational direction, in carrying out your role as political head of National Treasury and your responsibility for the financial management of government affairs.
3. We also write to bring certain risks and concerns around the procurement of new coal-fired power stations under the Coal Baseload Independent Power Producer Procurement Programme (CBIPPP), to your urgent attention. We refer in particular to the two preferred bidders under the CBIPPP: Thabametsi Power Company (Pty) Ltd's proposed Thabametsi coal-fired power station to be based in Lephalale, Limpopo, and ACWA Power Khanyisa Thermal Power Station RF (Pty) Ltd's proposed Khanyisa coal-fired power station to be based in eMalahleni, Mpumalanga ("the coal IPPs").

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

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4. Below we elaborate on why these projects are not only unnecessary, but will give rise to irreversible harm to the economy, human health, the environment (including our limited water resources), and the climate. They are currently being, and will continue to be, met with vigorous civil society opposition and a multitude of legal challenges, and they also pose enormous risks for Eskom, municipalities, and thus for National Treasury (“Treasury”).
 5. We also wish to confirm and obtain clarity on Treasury’s current commitment(s) to the coal IPPs, as set out below.

Relevant legal requirements for the coal IPPs

6. There are various steps that need to be taken by the coal IPPs, the Department of Energy (DoE), Eskom, and by the Minister of Finance and Treasury before the coal IPPs can reach commercial and financial close. These include:
 - 6.1. for the coal IPPs, obtaining all the requisite licences and environmental consents for the projects, such as environmental authorisations, water use licences (WULs), atmospheric emission licences (AELs), and licences to generate electricity from the National Energy Regulator (NERSA), and satisfactorily resolving any High Court review proceedings of decisions to grant environmental consents;²
 - 6.2. steps under the Public Finance Management Act, 1999 (PFMA) that must be taken before a Power Purchase Agreement (PPA) can be signed; and
 - 6.3. steps under the Electricity Regulations on New Generation Capacity GNR399, of 4 May 2011 (“New Generation Regulations”), under the Electricity Regulation Act, 2006 (ERA), that must be taken before a PPA can be signed.
7. In relation to the requirements that the coal IPPs are required to fulfill, we point out that the coal IPPs are not capable of reaching commercial and financial close, as:
 - 7.1. both have high court review proceedings pending against their environmental authorisations;³
 - 7.2. Thabametsi has yet to obtain any of the following authorisations: an AEL (the application was only submitted in May 2018, with a revised application being published in August 2018, to which Earthlife Africa and groundWork objected); a WUL (the application was submitted in February 2018, to which Earthlife Africa and groundWork objected); and a NERSA generation licence (Earthlife Africa has also objected to this application); and
 - 7.3. Khanyisa has a provisional AEL (the transfer of which is subject to an appeal by groundWork) and a WUL (which is being appealed by groundWork and is currently suspended - although ACWA Power has applied to the Minister of Water and Sanitation to lift the suspension of the WUL), but does not have a generation licence from NERSA (groundWork has objected to the generation licence application).
8. In relation to the requisite signing of PPAs between the DoE, Eskom, and the respective coal IPP companies, regulation 9 of the New Generation Regulations states, *inter alia*, that:

² P17, clause 5.5.5, Vol2, Part 5: Preferred Bidder Documents, RFP. P99, 14.2, Part A, Request for Qualification and Proposals for New Generation Capacity under the Coal Baseload IPP Procurement Programme.

³ The Thabametsi case court papers can be accessed here <https://cer.org.za/programmes/pollution-climate-change/litigation/the-proposed-thabametsi-ipp-earthlife-africa-johannesburg-v-department-of-environmental-affairs-thabametsi-power-project-pty-ltd-and-others> and the Khanyisa case court papers can be accessed here <https://cer.org.za/programmes/pollution-climate-change/litigation/groundwork-acwa-power>.

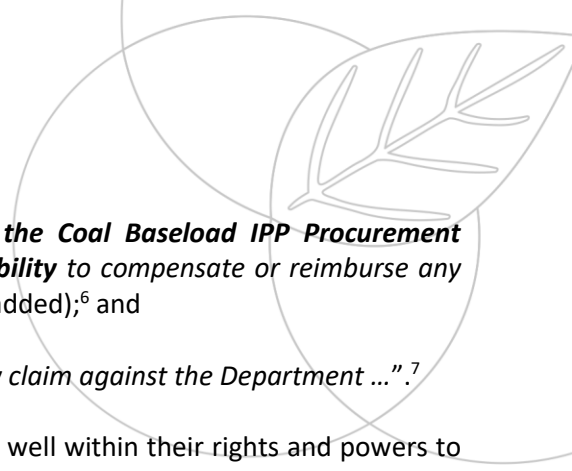
*“(1) A power purchase agreement between the buyer and an IPP **must meet the following requirements** – (a) **value for money**; (b) appropriate technical, operational and financial risk transfer to the generator; (c) effective mechanisms for implementation, management, enforcement and monitoring of the power purchase agreement; and (d) satisfactory due diligence in respect of the buyer's representative and the proposed generator in relation to matters of their respective competence and capacity to enter into the power purchase agreement.*

*(2) Before the buyer concludes a power purchase agreement, the buyer or the procurer must, subject to any approvals required in terms of the PFMA (Public Finance Management Act, 1999) – (a) ensure that the power purchase agreement **meets the requirements set out in sub-regulation (1)**; (b) ensure that the buyer has a contract management plan that explains the capacity of the buyer, and its proposed mechanisms and procedures, to effectively implement, manage, enforce, monitor and report on the power purchase agreement and any other agreements relating to a new generation capacity project to which the buyer is a party, to National Treasury and the Minister on a regular basis; and (c) put in place arrangements to ensure that any portion of the buyer's allowable revenue approved or allocated by the Regulator for purposes of implementation of new generation capacity projects will be used solely for the purpose of ensuring that the buyer's financial obligations in respect of new generation capacity projects will be met” (emphasis added).*

9. The New Generation Regulations define “value for money” as *“that the new generation capacity project results in a **net benefit to the prospective buyer or to Government having regard to cost, price, quality, quantity, risk transfer or a combination thereof, but also where applicable to the Government's policies in support of renewable energy**”* (emphasis added).
10. The Request for Qualification and Proposals for New Generation Capacity under the Coal Baseload IPP Procurement Programme (“RFP”) states that the *“outcome of the consideration as to whether or not a project delivers value for money, is required to produce an assessment that the project is in the **best interests of and delivers an acceptable outcome to the buyer (Eskom) and the Government acting on behalf of and in the best interests of the people of South Africa, including electricity users**”* (emphasis added).⁴
11. We submit – and have advised the DoE and Eskom - that the coal IPPs would **not** meet the “value for money” criteria as defined in the New Generation Regulations because:
- 11.1. they would not provide a net benefit to Eskom or government, and would certainly not meet the criteria of the definition of “value for money” in the New Generation Regulations; and
- 11.2. they would not be in the best interests of Eskom or government, or in the best interests of the people of South Africa, as required by the RFP.
12. The RFP for the CBIPPP makes clear that the DoE is in no way bound to proceed with the coal IPPs, despite their status as preferred bidders. As numerous licences and authorisations are outstanding and being contested (and will continue to be contested) – including in the High Court – there is, in any event, no guarantee that these projects will receive all the necessary authorisations to go ahead (and/or the necessary financial support). We note that the RFP states, *inter alia*, that:
- 12.1. *“the Department reserves the right to amend, modify or **withdraw this RFP or any part of it, or to terminate or amend any of the procedures, procurement processes or requirements detailed in this RFP during the conduct of the Coal Baseload IPP Procurement Programme, at any time without prior notice and without liability** compensate or reimburse any person pursuant to such amendment, modification, withdrawal or termination”* (emphasis added);⁵

⁴ P59, 6.1.8.2, Part A, RFP.

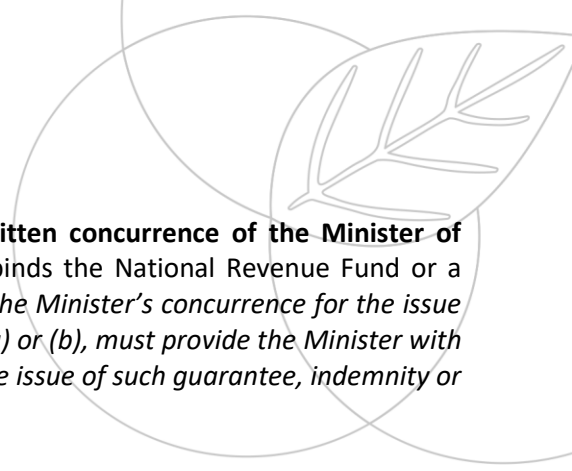
⁵ P10, clause 1.3, Part A, RFP.

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- 12.2. *“the Department reserves the right to terminate or amend the Coal Baseload IPP Procurement Programme, at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such termination or amendment”* (emphasis added);⁶ and
- 12.3. *“no bidder, its members, contractors, or its lenders shall have any claim against the Department ...”*.⁷
13. We have written to the DoE and to Eskom to advise them: that they are well within their rights and powers to abandon the coal IPPs and refrain from signing the PPAs. In fact, it is their legal obligation to do so, in light of the significant detrimental impacts of the coal IPPs.⁸
14. In relation to the PFMA, the following obligations and requirements are relevant to the coal IPPs, and apply to Eskom, the Minister of Finance, and Treasury:
- 14.1. section 50(1), which states that the accounting authority for a public entity (in this instance, Eskom’s board) *“must— (a) exercise the **duty of utmost care** to ensure reasonable protection of the assets and records of the public entity; (b) act with fidelity, honesty, integrity and in the **best interests of the public entity in managing the financial affairs of the public entity**; ... and (d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the **financial interests of the state**”* (emphasis added);
- 14.2. section 51(2) [i], which provides that, *“If an accounting authority is **unable to comply** with any of the responsibilities determined for an accounting authority in this Part, the accounting authority **must promptly report the inability, together with reasons, to the relevant executive authority and treasury**”* (emphasis added);
- 14.3. section 54(2), which states that *“[b]efore a public entity concludes any of the following transactions, the accounting authority for the public entity must **promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction** ... (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement ... (e) commencement or cessation of a significant business activity...”* (emphasis added);
- 14.4. section 66(1), which states that *“[a]n institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction— (a) is authorised by this Act; and (b) in the case of public entities, is also authorised by other legislation not in conflict with this Act; and (c) in the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No. 48 of 1996)”*;
- 14.5. section 66(2), which states that *“[a] government may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind a Revenue Fund to any future financial commitment: (a) The National Revenue Fund: The Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of section 70...”* – this provision (and s66(1) above) is relevant for the concurrence sought from the Minister of Finance by the Minister of Energy as referred to above; and

⁶ P10, clause 1.4, Part A, RFP.

⁷ P11, clause 1.8, Part A, RFP.

⁸ Copies of these letters are available at https://cer.org.za/wp-content/uploads/2018/09/CER-Letter-to-Eskom_7-Aug-2018-1.pdf and https://cer.org.za/wp-content/uploads/2018/09/CER-Letter-to-Minister-Radebe_7-Aug-2018.pdf.



- 14.6. section 70, which states that a Cabinet member, with the **written concurrence of the Minister of Finance**, may issue a guarantee, indemnity or security which binds the National Revenue Fund or a national public entity and that “[a] Cabinet member who seeks the Minister’s concurrence for the issue of a guarantee, indemnity or security in terms of subsection (1) (a) or (b), must provide the Minister with all relevant information as the Minister may require regarding the issue of such guarantee, indemnity or security and the relevant financial commitment.”⁹
15. We have specifically advised Eskom that, insofar as its PFMA obligations are concerned, in accordance with section 51(2) of the PFMA, the board, in the event that it is unable to comply with its fiduciary duties and responsibilities, must “*promptly report the inability, together with reasons, to the relevant executive authority and treasury*”.
16. We note that insofar as Eskom may assert that it does not have a choice as to whether to sign the PPAs, but is still of the view that the signing of the PPAs would be harmful to Eskom’s interests, the implication is that the board is unable to comply with its fiduciary duties and responsibilities, and thus must report to Treasury. We also refer to [submissions by Eskom](#) in relation to the NERSA generation licence application hearings for the coal IPPs, of March 2018, wherein Eskom advised that it had numerous concerns in relation to the risk allocation and obligations imposed by the PPAs for the coal IPPs.¹⁰ Further, in a letter of 7 September 2018 from Eskom, Eskom advised that it “**indicated that it has not agreed to sign the Power Purchase Agreements (PPAs) because it does not agree with certain terms and conditions in the proposed PPAs**” (emphasis added).¹¹ It is clear that Eskom does not regard the coal IPPs as being in its best interests. **Has Eskom, at any stage, reported to Treasury in terms of section 51(2) of the PFMA?**
17. Insofar as the Minister of Finance’s legal obligations are concerned, clearly concurrence of the Minister of Finance is required before any guarantees for the coal IPPs can be issued. We point out that, in exercising these functions, Treasury, and the Minister of Finance must have regard to the object of the PFMA, this being to “*secure transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act [the PFMA] applies*”,¹² and the functions and powers of Treasury, which are to, *inter alia*, “*promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions*”.¹³
18. We have submitted a request for access to information in terms of the Promotion of Access to Information Act, 2000 (PAIA), to which we have received a partial response. We have addressed separate correspondence to Treasury’s information officer in relation to the request and response (which correspondence is attached as **Annexure A**) - seeking clarity on various issues. We wish to point out that, based on the records provided to us by Treasury:
- 18.1. the DoE has requested that Treasury provide indemnities for the coal IPPs to the value of **R25.2 billion (maximum R225.2 billion)**; and
- 18.2. Treasury’s liability for the coal IPPs would be formalised in the form of: a signed schedule (Schedule G) to the existing Government Support Framework Agreement with Eskom as the buyer of electricity produced by IPPs, entered into by Ministers of Finance, Energy, and Public Enterprises in 2012; and with signed and approved concurrence provided by the Minister of Finance in terms of sections 66(1), 66(2)(a)

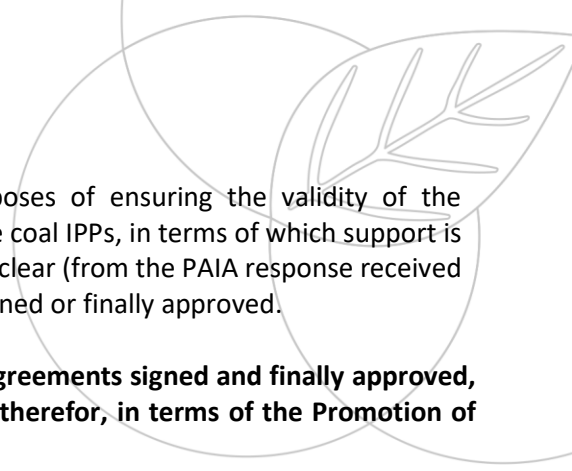
⁹ S70(3), PFMA.

¹⁰ Eskom’s presentation is available at https://cer.org.za/wp-content/uploads/2018/03/5.-IPP-Public-Hearing-Presentation270218_final.pdf.

¹¹ <https://cer.org.za/wp-content/uploads/2018/09/Coal-baseload-Independent-Procedures-Status-of-the-Power-Purchase-Agre....pdf>.

¹² S2, PFMA.

¹³ S6(1)(g), PFMA.



and 70(1)(a) of the PFMA for the indemnities, and for purposes of ensuring the validity of the Implementation Agreements to be concluded by the DoE and the coal IPPs, in terms of which support is provided by government in respect of Eskom's payment. It is not clear (from the PAIA response received from Treasury, or otherwise) whether any of these have been signed or finally approved.

19. **If the indemnities have been provided by Treasury, and the requisite agreements signed and finally approved, we request copies of these decisions and/or agreements and reasons therefor, in terms of the Promotion of Administrative Justice Act, 2000 (PAJA).**¹⁴

20. If the indemnities have not yet been provided (or even if they have), we set out below why indemnifying the coal IPPs would not constitute effective or sound management of expenditure, assets, and liabilities of the departments or Eskom, as required by the PFMA.

Why the coal IPPs are not in the public interest and/or aligned with the objects of the PFMA and functions of Treasury

21. In light of Eskom's dire financial position, the high cost of electricity from the coal IPPs in comparison to a least-cost electricity plan that would not include them (as set out in more detail below),¹⁵ and constantly-rising electricity tariffs, we submit that by allowing the coal IPPs to proceed, Eskom and Treasury would also be exposed to considerable risk, at a time when the country cannot afford any further unnecessary expenditure or financial risks.

22. We maintain that, should you support the establishment and operation of the coal IPPs, it would not only expose Treasury and our economy to considerable risk; but also fail to serve the best interests of the people of South Africa.

23. Treasury plays a crucial role in ensuring the financial security of South Africa. One of its functions in terms of the PFMA is to *"promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions"*.¹⁶ We note that Treasury describes its mission as *"to promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable management of South Africa's public finances"*.¹⁷

24. We refer to the Minister's Medium Term Policy Budget Statement,¹⁸ of 24 October 2018, which – *"presented against the backdrop of a technical recession"* – stated *"South Africans correctly expect more from their government. They are right to expect that their money is spent wisely and productively"* and that *"[w]e need to restore a culture of compliance with the PFMA and MFMA [Municipal Finance Management Act] in all organs of state"*.

25. The procurement of unnecessary, harmful, and expensive new coal capacity from the coal IPPs, at a time when the economy is already vulnerable and Eskom is facing numerous risks and financial strain, should be of grave concern to Treasury – particularly given Eskom's role as the purchaser and Treasury's role as guarantor for what would be a significant sum of R25.2 billion (potentially even R225.2 billion) according to the Minister of Energy's request for concurrence, referred to above.

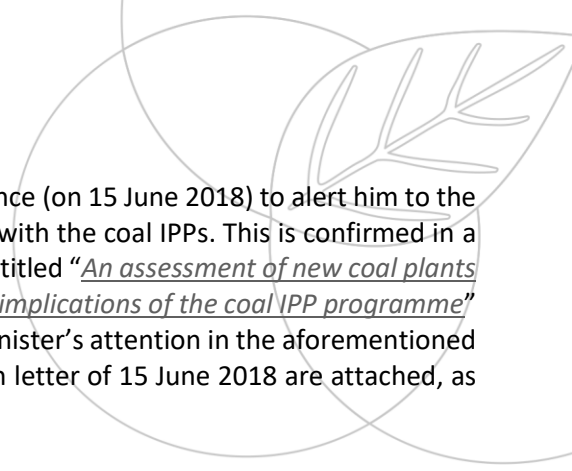
¹⁴ S5(1).

¹⁵ See http://www.ee.co.za/wp-content/uploads/2016/10/New_Power_Generators_RSA-CSIR-14Oct2016.pdf at p7.

¹⁶ S6(1)(g)

¹⁷ Refer to: <https://nationalgovernment.co.za/units/view/27/departement-national-treasury>.

¹⁸ <https://www.gov.za/speeches/minister-tito-mboweni-2018-medium-term-budget-policy-statement-speech-24-oct-2018-0000>.

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26. The Life After Coal Campaign has written to the previous Minister of Finance (on 15 June 2018) to alert him to the high costs and potential harm to Eskom and the economy of proceeding with the coal IPPs. This is confirmed in a report by the University of Cape Town's Energy Research Centre (ERC), entitled "*An assessment of new coal plants in South Africa's electricity future: the cost, emissions and supply security implications of the coal IPP programme*" ("the ERC report"), which report, and its findings, were brought to the Minister's attention in the aforementioned 15 June letter. A copy of the ERC report and the Life After Coal Campaign letter of 15 June 2018 are attached, as **Annexures B** and **C** respectively, for your ease of reference.
27. The ERC report shows that the coal IPPs are **not needed**, nor do they form part of a least-cost electricity system. On the contrary the coal IPPs would (according to the ERC report) have the following impacts:
- 27.1. They would cost South Africa an additional R20 billion (not taking into account external costs and impacts) in comparison with a least-cost electricity system, which will, in turn, substantially increase the costs of electricity – this will have detrimental impacts for consumers, businesses and jobs. The Minister of Energy has recently confirmed that the additional cost to South Africa of the coal IPPs would be even higher - R23 billion.¹⁹
- 27.2. They would have significant climate impacts, as they are expected to increase greenhouse gas (GHG) emissions by 205,7Mt CO₂eq over the 30 year period of the PPAs. This would negate the government's GHG emission mitigation plans and efforts. Even in a best-case scenario for the coal IPPs (with GHG emissions curtailed as far as possible), the two coal IPPs would frustrate South Africa's commitments under the Paris Agreement, through raising the costs of mitigation technology and requiring significant GHG emission reductions in the power and other sectors. The ERC report states "*[i]n total, the additional discounted **system costs to meet the low-PPD trajectory with the coal IPPs is R27.9 billion***" (emphasis added).²⁰
- 27.3. They would further destabilise Eskom, and its precarious financial position, placing Treasury at risk. The ERC report states, in this regard, that, "*[n]ot only are the coal IPPs not required to meet demand, and not only do they raise costs, and increase emissions, but they also result in increasing pressure on Eskom. **Building new coal plants in a situation of low demand means reducing the output of Eskom's fleet, potentially accelerating the 'utility death spiral' in which Eskom already finds itself and putting the electricity supply industry – and thus the South African economy – at risk***" (emphasis added).²¹ "*When the coal IPPs are forced into the electricity build plan, this results in **decreased use of existing coal plants (which are also cheaper than the coal IPPs), which puts raises (sic) costs overall and puts Eskom at risk***" (emphasis added)²² and "*the implications of these findings are clear. South Africa is currently facing a large surplus in generation capacity, in particular inflexible base supply capacity. Eskom is facing a financial crisis and **rising electricity prices will drive consumers away from the utility. Investments that unnecessarily increase costs in the electricity sector should be avoided***" (emphasis added).²³
28. The latest draft of the Integrated Resource Plan for Electricity, published for comment on 27 August 2018 ("draft IRP 2018") confirms that the coal IPPs do not form part of a least-cost plan. It states that "*[w]ithout a policy intervention, all technologies included in the promulgated IRP 2010–2030 where prices have not come down like in the case of PV and wind, cease to be deployed because the least-cost option only contains PV, wind and gas*"²⁴

¹⁹ In a Parliamentary oral reply of October 2018, the Minister advised that "Based on assumptions made in the IRP, the combined effect of including coal and Inga as policy adjustment is about 1.9 cents per kilowatt hour on projected tariff of 119 cents per kilowatt hour." See also http://m.engineeringnews.co.za/article/radebe-outlines-additional-cost-of-coal-ipp-to-consumers2018-10-01/rep_id:4433 .

²⁰ P5, ERC Report.

²¹ P8, ERC Coal IPP Report.

²² P17, ERC Coal IPP Report.

²³ P5, ERC Coal IPP Report.

²⁴ P37, draft IRP 2018.

and that “[t]he scenario without renewable energy annual build limits provides the least-cost option by 2030.”²⁵ The new coal capacity to come from the coal IPPs is only included as part of the policy-adjusted plan up to 2030. In other words, the 1 000MW new coal – to come from the coal IPPs – has been “forced in” to the draft IRP 2018. The draft IRP 2018 recommends: “[i]nclusion of 1000MW of coal-to-power in 2023–2024, based on two already procured and announced projects. Jobs created from the projects will go a long way towards minimizing the impact of job losses resulting from the decommissioning of Eskom coal power plants and will ensure continued utilisation of skills developed for the Medupi and Kusile projects.”²⁶ We have – in the CER [submissions on the draft IRP 2018 to the DoE](#) – disputed the justifications provided for forcing the coal capacity into the draft IRP 2018.²⁷

29. In addition to the impacts outlined in the ERC report, the coal IPPs would give rise to irreversible impacts for human health (through air and water pollution) and the environment, including South Africa’s limited water resources. Both projects will be based in: declared air quality priority areas (namely the Highveld Priority Area and the Waterberg-Bojanala Priority Area) where National Ambient Air Quality Standards are already being exceeded;²⁸ and in areas where water scarcity and water pollution are already major concerns. This, in addition to the fact that the coal IPPs will be two of the most GHG emission-intensive plants in the world (60% higher than Medupi and Kusile),²⁹ raises concerns about the constitutionality of allowing these projects to go ahead, in addition to concerns around their high external costs (health, environment, and climate) which are not being considered.

30. The Campaign strongly disputes that these coal IPPs would promote effective management of South Africa’s finances, particularly as: they are not needed; they do not make financial or economic sense; and they would have significant impacts for our climate, health, and environment, including water – with related external costs, which have not been accounted for. It is on this basis that we have challenged, and will continue to challenge, the various approvals required for the commencement and operation of these projects.

31. In the circumstances, we request that you kindly advise:

31.1. whether you and Treasury have provided any guarantees and commitments to the coal IPPs and that you provide us with:

31.1.1. a copy of the Implementation Agreement;

31.1.2. a copy of Schedule G to the Government Support Framework Agreement for the IPPs (if signed, but an unsigned version if not signed);

31.1.3. proof that the concurrence in terms of sections 66(1), 66(2) and 70 of the PFMA for the coal IPPs has been granted by the Minister of Finance; and

31.1.4. **full reasons for the decisions** to enter into these agreements and to provide the requested guarantees in respect of the coal IPPs – if the guarantees have been provided and/or agreements signed - as soon as possible, in terms of section 5(1) of PAJA; and

31.2. whether you have: raised any concerns regarding the financial implications of the coal IPPs for Eskom and for Treasury; and/or received any reports from Eskom in terms of section 51(2) of the PFMA?

²⁵ P12, draft IRP 2018.

²⁶ P39, draft IRP 2018.

²⁷ The IRP 2018 comments submitted by the CER are available at https://cer.org.za/wp-content/uploads/2018/10/CER-IRP-2018-Comment-DoE_26-10-18.pdf.

²⁸ 2017 State of the Air Report, available at http://www.airqualitylekgotla.co.za/assets/2017_1.3-state-of-air-report-and-naqi.pdf.

²⁹ P10, ERC Coal IPP Report <https://cer.org.za/wp-content/uploads/2018/05/ERC-Coal-IPP-Study-Report-Finalv2-290518.pdf>.

32. **In short, kindly confirm whether Treasury has provided the requested guarantees and commitments to the coal IPPs or whether this is still under consideration.** If the latter, kindly provide an indication of envisaged timeframes for these decisions.

33. We await your response as soon as possible and by no later than **3 December 2018**, and would welcome an opportunity to engage with you on this further and to meet with you at a time that would be suitable for you.

Yours faithfully

CENTRE FOR ENVIRONMENTAL RIGHTS

per: 

Nicole Loser

Attorney

Centre for Environmental Rights

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