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Email reply to: avena@groundwork.org.za

Attention: Ms Avena Jacklin, groundWork: Climate and Energy Justice Campaign Manager

Subject: Comments on: Draft Scoping Reports for Karpowership (Pty) Ltds Proposed Gas to Power Powership Project at the Ports of Saldanha Bay (Western Cape), Port of Ngqura (Eastern Cape) and Richards Bay (KwaZulu-Natal)

Dear Ms. Jacklin

Thank you for your recent participation and providing feedbacks on: Draft Scoping Reports for Karpowership (Pty) Ltds Proposed Gas to Powership Project at The Ports of Saldanha Bay (Western Cape), Port of Ngqura (Eastern Cape) and Richard's Bay (Kwazulu Natal), email of Monday 6th November 2020.

Alternatives and Technology

Karpowership SA Pty Ltd is responding to a Request for Qualification and Proposals for New Generation Capacity under the Risk Mitigation IPP Procurement Programme, Tender Number DMRE001/2020/21 published by the Department of Mineral Resources and Energy in August 2020 in accordance with the Electricity Regulation Act, the New Generation Capacity Regulations under that act, the Integrated Resources Plan 2019 and the Ministerial Determination published by the Minister of Mineral resources and Energy with the concurrence of the National Energy Regulator of South Africa (NERSA). This procurement programme for much needed emergency power in South Africa is in accordance with South African law and policy.

Karpowership's business model provides for the generation of power using HFO's or natural gas. HFO as an alternative fuel was addressed in the draft scoping report as a technological alternative. The use of natural gas as a cleaner technology was thus proposed as the most feasible alternative within Karpowership energy generation options. The option of not implementing the project has also been assessed in the draft scoping report.

Climate change assessment

One of the key reasons that Karpowership has selected LNG as the fuel source for the proposed South African projects is the marked improvements to environmental impact over liquid fuel. Karpowership is also working towards switching all their global operations away from liquid fuel to LNG in due course for this very same reason.

The use of gas as a fuel for power generation is entirely in line with the RMIPPPP, as a technology agnostic tender, and well-established government strategy, notably the National Resource Plan (IRP 2019). It is also noteworthy in this context that the profile of gas to power solutions make them highly suitable as a foundation within the energy mix upon which renewable energy portfolios can be strengthened.

The benefits of running the Powership engines on LNG include emission reductions of NOx, SOx, CO2, particulates, no smoke, reduced waste streams and no need to use secondary emission reduction systems (and hence no consumption of reagents) to meet the requirements of local or international legislation. Additionally as, South Africa is generally a 'water poor' country. Powership solutions, unlike land-based power plants, do not use water from the country's watercourse for cooling or other operational purposes. They use sea water for cooling in a once through system and therefore have no impact whatsoever on any drought scenario.

A detailed Climate Change Adaptation Assessment and Greenhouse Gas Emission Assessment will be included in the draft EIA Phase.

Socio-Economic Impacts

Karpowership's company slogan 'The Power of Friendship' encompasses the ethos to which they strive in all countries and regions in which they operate. Aside from engaging with local businesses, they have a positive impact on local communities through both their social responsibility programs, tailored to the specific needs of the community, and the career opportunities that are provided.

Karpowership projects create significant direct and indirect employment, driving knowledge and skills transfer across a broad spectrum of disciplines including some that are unique to floating power plants. Karpowership emphasizes youth development as the future of our business, industry, and the local economy. As a globally recognized leader with 1,800+ direct employees, Karpowership provide an opportunity for South Africans, which will make up the majority of their personnel, to develop specific skills and knowhow which will ultimately benefit the South African economy. They will also be provided with the opportunity to become part of an internationally diverse team, gaining and sharing experience and knowledge either locally or worldwide alongside industry leading colleagues.

There will be a significant number of local employees for both the construction and operation period which will exceed the Economic Development criteria that must be reached under the terms of the RMIPPPP. The job creation, including within the power generation function, will be comparatively more than a renewable energy project should our project be selected to proceed. Detailed job creation and other local economic development activities will be provided at preferred bidder stage during EIA preparation.

Public Participation

We disagree with your statement that the public participation process for the EIA process to date has failed to reach the majority of Interested and Affected Parties (I&APs). The projects in all three areas have been advertised in the respective local newspapers not only in English, but also isiZulu (Richards Bay), iXhosa and Afrikaans (Ngqura) and Afrikaans (Saldanha Bay) calling on potential I&APs to register and participate in the EIA process. We also put up site notices, and notified all I&APs specified in the EIA Regulations, 20014, including landowners and occupiers of land, municipalities, ward councillors, ratepayer associations and relevant organs of state. We also note that a number of



community-based organisations such as yourselves, and the Eastern Cape Network, WESSA, West Coast Bird Life, Bird Life, Cape Biosphere, Saldanha Water Quality Trust Forum, Green Point, South Durban Community Environmental Alliance, Oceans not Oil, SANCOB, etc have registered as I&APs who in turn purport to represent a large number of other community-based organisations and communities.

We have also liaised with local councillors and other local stakeholders to find out where it is best to put up notices, leave flyers and place the hard copy of the draft Scoping Report for easy public access. We agree that the Covid-19 pandemic has definitely made it more challenging to run public participation processes, but are of the view that our process does provide reasonable opportunity to I&APs, and this has been confirmed by DEFF in approving the public participation plan.

Please also note that all three projects fall within Ports and Industrial Developments Zones where public access is highly restricted because of the nature of the industrial activities within these sites. We have however notified the nearest ward councillors, and ratepayers associations to ensure that neighbouring residents are represented in the EIA process, even if they themselves have not seen the notices and advertisements that have been locally placed.

Cumulative Impacts

The requirements pertaining to cumulative impacts will be addressed in the EIA Phase. TNPA Port Planning will be taken into consideration.

Thank you for your comments.

Yours sincerely,



Ms. Hantie Plomp (Managing Director)

📮 PO Box 6595, Zimbali, 4418

✉ E-mail: ppprbay.triplo4@gmail.com / hantie@triplo4.com

☎ Phone: (032) 946 3213

☎ Fax: (032) 946 0826

