

**SUSTAINABLE ENERGY NEWS on EMAIL (SENSE)**  
**Number 43: Feb. 2007**

---

Welcome! SENSE is a service of the Energy Policy Unit of the Sustainable Energy and Climate Change Project (SECCP) of Earthlife Africa Johannesburg (ELA Jhb). SENSE is a regular publication, edited by Tristen Taylor.

We welcome any feedback and submissions. Also, let us know if you wish to get more information from ELA Jhb, or know someone else who should be receiving SENSE.

Contacts

Tel: +27 11 339-3662

Email: [seccp@earthlife.org.za](mailto:seccp@earthlife.org.za)

---

CONTENTS

1. Editorial
  2. SECCP News—Biofuels, Integrated Energy Planning, Alcan and Coega, New Energy Policy Officer, Vacancies
  3. SA Sustainable Energy News—Cape Town's energy-efficient lighting, SA Biofuel Strategy
  4. SA Unsustainable Energy—The Coega Industrial Complex, Good Times for King Coal, Ipsa's New Power Plant
  5. SA Energy Policy—Eskom's plan, Cape Town rejects RED1
  6. African Energy News—Nukes and More Nukes
  7. Conferences
- 

1. Editorial

The end of 2006 and beginning of 2007 marked the beginning of interesting times in the energy sector. The rolling blackouts of January have shown a continual lack of application in Eskom towards meeting the demands of citizens. Of course, Eskom will moan about the lack of capacity in electricity generation; strange this, as Eskom recently agreed to provide Alcan with 1180MW of power for the planned aluminium smelter at Coega. Electricity for business but not the people. The SECCP has launched a series of Promotion of Access to Information Act (PAIA) applications to find out how cheap Eskom is selling electricity to Alcan. It could be as low as two cents per kilowatt-hour.

In related news, Ipsa has announced plans to start up a new gas-fired power and steam plant in Newcastle. It is currently negotiating a deal with Alcan to sell its 1MW capacity. Talking of plans, one could be excused for thinking that the DME has abandoned the second round of Integrated Energy Planning; currently, there seems to be a distinct lack of action.

On the biofuels front, a combined government and industry push is underway to rapidly expand the biofuels sector. As Citizens United for Renewable Energy and Sustainability (CURES) and Earthlife Africa Jhb have both pointed out, this strategy doesn't seem likely to have a positive effect on the rural poor, and may increase the corporate dominance of the agriculture sector. The Government's Draft Biofuels Strategy is open for comment until the 10th of March 2007.

Eskom seems thoroughly committed to building new coal-fired powerstations, which is leading to a boom in the coal-mining industry. The profits to be made from coal are

enormous, and the coal barons must be rubbing their hands in glee; a seven million ton contract to supply coal to the proposed Matimba B power station is up for grabs.

On the continent, there seems to be a major push towards nuclear energy, with Namibia a likely candidate. Mohammed El-Baradei, Director-General of the International Atomic Energy Agency, said recently, "Nuclear power makes up only a small part of Africa's energy supply. But South Africa has plans to increase its nuclear generating capacity, and a number of other African countries - such as Algeria, Egypt and Nigeria - have been expressing interest in nuclear power for both electricity production and the desalination of seawater."

The international nuclear industry must be drinking champagne in anticipation of the contracts to come for expensive nuclear plant constructions.

The good news is that the City of Cape Town used energy efficient lighting in its Christmas displays.

Tristen Taylor  
Energy Policy Officer  
Earthlife Africa Jhb  
23rd of Jan. 2007

---

## 2. SECCP News

Press Release: Cabinet Jumps the Gun on Biofuels  
Earthlife Africa Jhb and CURES  
11th of December 2006

Civil society has reacted with dismay at an announcement that Cabinet has approved a plan to establish a biofuels industry, without consulting stakeholders other than the private sector. (8 Dec. Star, Business Report p.5) While there is qualified support for a biofuels strategy, civil society has input to make that could assist government in ensuring that such a plan takes account of the concerns of a broader range of stakeholders and interests.

In recent times there have been increases in the maize price, the staple diet of large number of South Africans, in particular the poor. If maize is diverted to the production of fuel, or exported to feed the US and the EU biofuels markets, this may further increase the domestic price of maize. Government is considering extending the existing subsidy for liquid biofuels (currently a 40% tax reduction), yet such blanket subsidies have a history of primarily benefiting the large-scale producers. Careful targeting of the subsidy is needed if benefits are to extend beyond industrialized agriculture and refineries.

Annie Sugrue of CURES (Citizens United for Renewable Energy and Sustainability) says "An independent strategy that is directed specifically at the smallscale farmer is required to ensure that benefits are spread across the sectors and do not mainly accrue to the large scale commercial farmers and large industry, with a number of low paying, menial jobs being created in the process. The roll out of an industrial biofuels strategy should be preceded by full life-cycle analysis of current industrial farming methods, with a view to making them less energy intensive, less water inefficient and less polluting".

It has been suggested that the recently announced biofuels initiative could meet 75% of South Africa's renewable energy target -not difficult as this covers at best about 1% of primary energy supply. However, much of the contribution of biofuels could be a false 'gain' - as much of the output may be matched by hydro-carbon (fossil fuel) input [i]. Government should make it clear that only the difference between the energy content of biofuel output and the energy content of inputs to biofuel production (including feedstock for fertiliser, coal-fired electricity for

irrigation, transport fuels) will be counted towards the paltry renewable energy target. Counting the effective conversion of hydro-carbon input to biomass output would be the most cynical kind of greenwash.

"This is a critical juncture for South Africa: a responsible and well-informed strategy for biofuels could provide a massive opportunity within the so-called 'second economy', making a major impact on poverty and unemployment, while reducing our massive and growing rate of greenhouse gas emissions" says Richard Worthington, Co-ordinator of the Sustainable Energy and Climate Change Project at Earthlife Africa, "or it could simply intensify ecosystem degradation to feed the massive profits of transnational corporations like Sasol, with hollow claims of becoming sustainable. It is essential that cabinet takes the time to ensure that the former option is realised."

A full and comprehensive public participation strategy is required to allow the voices of the small scale farmers, environmental NGOs, rural developers and all other sectors to be clearly heard and their concerns and issues to be incorporated in the biofuels strategy. In an era where environmental degradation and global carbon emissions are reaching catastrophic heights, new strategies that are intended to contribute towards the mitigation of carbon emission must be regulated more carefully and the use industrial farming techniques to make biofuels falls into this category.

A civil society discussion document on biofuels, which was the subject of a national workshop in September, highlights the potential for a pro-poor strategy. It is available from the CURES website: [http://www.cures-network.org/docs/pos\\_2006\\_biofuels\\_brochure.pdf](http://www.cures-network.org/docs/pos_2006_biofuels_brochure.pdf)

[i] Claims of environmental benefits of biofuels need to be assessed in terms of the energy balance, as well as the impacts of changes in land use. Energy balances allow you to determine how much energy you produce (output) against the energy you put in (input) during the entire process. Industrial agriculture is highly energy intensive, through the use of chemical fertiliser, pesticides as well as on farm activities like ploughing, tilling, harvesting and pumping for irrigation. The chemical processes for converting crops to biofuels also use energy. This means that the resultant output, or gain, of energy may in fact be quite small and is often over-estimated.

Link: [http://www.earthlife.org.za/News\\_Detail.asp?ID=76](http://www.earthlife.org.za/News_Detail.asp?ID=76)

Link to SA Government's Draft Strategy on Biofuels:

[http://www.dme.gov.za/pdfs/energy/renewable/Biofuels\\_Strategy\\_SA.pdf](http://www.dme.gov.za/pdfs/energy/renewable/Biofuels_Strategy_SA.pdf)

Integrated Energy Planning too much bother for DME?  
SECCP

One could be excused for thinking that the DME has abandoned the second round of Integrated Energy Planning (IEP): an official statement on the status of the crucial process was promised in November last year, but has still not materialised; no record has been provided of the third meeting, over 3 months ago, of the IEP Advisory and Review Committee (IEPARC) - despite numerous assurances of rigorous process during establishment of this 'high-level' stakeholders forum - nor have there been any notes of, or responses to queries raised at, the meeting of the Integration Working Group last September; there has been no news for over a year on the status of the National Energy Bill - the draft of legislation that would provide the legal mandate for IEP and many other promises of the 1998 White Paper on Energy Policy.

Direct queries to officials have yielded vague assurances that a revised process has been designed, under the direct guidance of the new Deputy Director General Hydrocarbons, energy planning and clean energy (Nhlanhla Gumede). It appears that the stakeholders who were ostensibly a part of IEP II will simply be informed once a

new process has been decided. We also understand that the study of externalised costs of various energy supply options, which had already been through a tender adjudication process (the second since the study was first announced), has once again been indefinitely suspended. It is becoming very hard to believe that the sporadic engagement with a full range of stakeholders on energy planning amounts to anything more than going through the motions.

ELA JHB Update on Alcan and Coega  
SECCP

The 'secret' deal between the Canadian firm Alcan and Eskom, signed on the 24th of Nov. 2006, will prove to have negative consequences for the environment, the quest for renewable energy, and job creation.

The Coega aluminium smelter will require around about 1180MW of coal-generated power (more than enough to power for a major city) and employ only, at most, a thousand people. The power for the smelter will be heavily subsidised with tax-payer money. These power subsidies will be in addition to the R1.93 billion in tax-incentives already showered upon Alcan.

Economic growth is not dependent on the provision of cheap, coal-generated electricity, which is a major cause of global warming. Renewable sources of electricity (such as wind & solar) have the potential to create many times more jobs than Coega could ever dream of. If, by 2020, 15% of South Africa's power was generated via renewable resource, over 36 400 direct new jobs in the electricity sector would be created.

Instead of investing renewable energy sources and sustainable economic growth, the Government continues with Coega, for very little future reward and melting icecaps.

Despite Earthlife Africa's (JHB Branch) several attempts to determine the details of the contract between Alcan and Eskom, both agencies current failure to disclose how much Alcan will pay for the electricity and for how long, which is strange given that a subsidy is tax-payer money. Given this veil of secrecy, one can only wonder how bad the deal really is.

Link: [http://www.earthlife.org.za/News\\_Detail.asp?ID=77](http://www.earthlife.org.za/News_Detail.asp?ID=77)

SECCP New Energy Policy Officer

On the 15th of November, Tristen Taylor joined the SECCP as its Energy Policy Officer. He is replacing Nkosana Rakitla, who left due to reasons of poor health. Tristen is a long-time activist, and his previous employment was at Jubilee South Africa, where he was the Apartheid Debt and Reparations Coordinator. He holds degrees in philosophy and archaeology, and is currently studying his masters in philosophy at Wits.

Tristen can be contacted at  
Tel: +27 11 339-3662  
Email: [tristen@earthlife.org.za](mailto:tristen@earthlife.org.za)

Vacancies at SECCP

1). Energy and Information Officer (Full-time)

This post will involve information management (incl. distribution lists, filing, synopses); assessing and making input to the Integrated Energy Centres initiative of the Department of Minerals and Energy and engaging stakeholders; participation in

official processes (incl. documentation); developing public information materials; organising and running workshops; administrative work and reporting.

Post requires: Matric & relevant tertiary qualification; workexperience with a documented track record and demonstrable skills; communication skills, incl. fluency in English and two indigenous languages; good writing and computer skills; knowledge of relevant issues; driver's license; ability to share responsibilities. Experience in civil society sector or related work highly desirable.

2). Internships: The SECCP also requires the support of post-graduate interns with an interest in energy issues and public benefits advocacy, for a combination of administrative support, desk-top research and participation in outreach and/or publications; the internships will involve mentoring real work and experience - content-based as well as some menial work minimum six-month commitment required; an expenses-based stipend can be made available.

Remuneration and incentives negotiable, subject to skills, experience and performance.

Closing date for staff post & 1st intern: 2 February 2007

Send: CV and a detailed letter of motivation (no certificates) to [seccp@earthlife.org.za](mailto:seccp@earthlife.org.za) or Fax 086 686 8434

---

### 3. SA Sustainable Energy progress

Cape Town switches to energy efficient festive season light  
[www.greenclippings.co.za](http://www.greenclippings.co.za)

20 December 2006

The City of Cape Town has taken a small step forward in energy savings this year with the installation of energy-efficient festive season lights. Instead of the standard lighting that is used every year, the city has installed energy-efficient rope lighting and LED (light-emitting diode) lamps.

According to Charles Kadalie, the City's manager for public lighting, the energy-efficient lighting system will save about 80% of the electricity that would normally be consumed, and at the same time save on costs. This will in turn reduce the amount of greenhouse gases emitted by South Africa's highly polluting coal-fired electricity generation, even if only by a tiny amount.

Despite being no more than a drop in the ocean when it comes to energy savings, the initiative is a visible reminder of just how much energy can be saved when authorities choose to make the effort.

Link: [http://www.greenclippings.co.za/gc\\_main/article.php?story=20061220111238610](http://www.greenclippings.co.za/gc_main/article.php?story=20061220111238610)

South Africa considers biofuel for renewable energy

SciDev.Net

Charles Mkoka

9th of January 2007

The South African cabinet has approved an ambitious biofuels industrial strategy, announced the Department of Minerals and Energy this week (8 January). It is hoped that the draft biofuels plan will meet 75 per cent of the country's renewable energy target, in compliance with the Kyoto Protocol on climate change, which encourages nations to reduce their reliance on fossil fuels.

According to the national Engineering News magazine, the fuels will come from a diverse range of sources. Potential crops include maize and sugarcane to create

ethanol, as well as soya beans and sunflower for biodiesel. Government spokesperson Themba Maseko suggested that as many as 55,000 jobs, many in the agricultural sector, could be created through the use of biofuels.

The plan also suggests expanding the existing fuel tax exemption for biodiesel to include bioethanol. Reports said a type of hedge fund could deal with the knock-on effect from changing crude oil prices. In periods when prices were high, biofuels producers may pay a certain amount of profits back to the treasury. In exchange, they could receive partial government protection at times of low oil prices.

A biofuels task team will report back to the cabinet in May following consultations with other stakeholders. South African synthetic fuels company, Sasol, which pioneered the use of petrol and diesel from coal and natural gas, announced their participation late last year (November 2006). In a joint effort with the government's Central Energy Fund they will build a biodiesel production plant based on soya beans.

The biofuels announcement comes ahead of the department's Clean Development Mechanism (CDM) conference in Johannesburg this month. Last year, South Africa registered a project to convert coal-fired brick-baking kilns to natural gas and in 2006 launched a low-cost-housing energy upgrade project in Cape Town, Africa's first project in terms of the CDM to be recognised by the UN.

Link:

<http://www.scidev.net/gateways/index.cfm?fuseaction=readitem&rgwid=4&item=News&itemid=3323&language=1>

---

#### 4. SA Unsustainable Energy

The Coega Industrial Zone Complex  
Fahamu (Oxford)  
4th of January 2007  
OPINION: Patrick Bond

The South African government is channeling Africa's largest-ever industrial subsidies into the Coega industrial zone complex and port, located in the country's fourth largest city, the Nelson Mandela Metropole (better known by its apartheid-era name, Port Elizabeth). Government proponents say Coega represents sound industrial and development policy, but a growing legion of critics are labeling it a corporate welfare boondoggle in a country that does not have resources to spare.

Aside from tailor-made infrastructure, including a 20 meter deep port, the key attraction of Coega for foreign investors is super-cheap energy. Following a year of frequent brownouts in the two largest metropolitan areas, Johannesburg and Cape Town, a fierce debate has erupted over the idea of providing discounted electricity to industrial users when citizens cannot get a dependable supply at any price. Mismanagement of the state electricity company, Eskom, in the course of its corporatization has interfered with a steady supply.

The main beneficiary of Coega's cheap energy, the Canadian firm Alcan, agreed in early December to a quarter-century power supply agreement from Eskom -- the world's fourth-largest power company -- at an extremely generous price, less than the \$0.02 cents per hour that bulk industrial consumers pay. This is already the world's cheapest electricity, but Alcan insisted on the subsidy due to volatile commodity prices, a factor that has caused consternation in prior deals the South African government made with large mining houses and metals smelters such as BHP Billiton, the Anglo American group and Mittal Steel.

Alcan and Eskom claim that the deal will bring job creation and foreign exchange earnings, and pay off for the country. Using imported bauxite, Coega's \$3 billion aluminum smelter could by 2014 produce 720,000 tons of the metal annually in one of the world's biggest smelters. Fewer than 1,000 permanent jobs will be created in the process, however

Coega is one in a long list of post-apartheid megaprojects undertaken by the South African government. These include the Pebble Bed Nuclear Reactors (one of the first global deployments of a new nuclear energy technology that purports to offer new safety guarantees), the Lesotho Highlands Water Project (six vast dams under construction) which supplies Johannesburg its water [see "Making the Earth Rumble," *Multinational Monitor*, May 1996], and the "Gautrain" elite fast rail network that will link Johannesburg, Pretoria and the country's largest airport. An impoverished South African majority, increasingly well organized and mobilized, is challenging these megaprojects and demanding instead that state resources be deployed to deliver basic services to the majority, on a more ecologically sustainable basis...

Rest of the article at <http://allafrica.com/stories/200701040881.html>

Eskom, export capacity will drive growth in coal industry  
Business Report  
12th of January 2007  
Justin Brown

Johannesburg - The coal mining industry faces prospects of expansion in the years ahead as export capacity grows and demand from power utility Eskom increases.

A mineral economist in the department of minerals and energy, Xavier Prevost, said this week that South African saleable coal output was forecast to climb by about 18 percent from 245 million tons in 2005 to 290 million tons in 2010. The increase in output would be driven by the expansion in the Richards Bay Coal Terminal (RBCT) capacity by 20 million tons as well as growing demand from Eskom, which could add 60 million tons of demand for coal.

The key point of expansion on the export front will come from RBCT, which is aiming to raise its annual coal export capacity to 91 million tons per annum by 2009.

"The coal mines need to be geared up for the RBCT expansion before 2009," said Prevost. Last year, RBCT was reported to have exported about 66 million tons of coal from 69.2 million tons in 2005. South Africa's total coal exports were 71.4 million tons in 2005.

Of the increase in RBCT's capacity, Exxaro Resources will get 2 million tons per annum of coal export capacity, Eskom Enterprises 3 million tons and Anker Coal 1 million tons. Empowerment companies will be allocated 4 million tons per annum with a further 10 million tons expansion available for subscription. Exxaro is starting its Inyanda coal mine as part of the RBCT expansion at R184 million to provide 1 million tons per annum of thermal coal for export.

The company is looking to more than triple its coal exports from 2.3 million to 7 million tons a year within four to five years. The group also wants to increase its total output from 45 million tons to 70 million tons of coal a year by 2012 through organic growth. This would take it past Ingwe Coal's 52 million tons to become South Africa's largest coal producer.

However, there is speculation in the industry that Ingwe will exit the South African coal mining arena. It is not clear why. But BHP Billiton, which owns Ingwe, has denied this. Ingwe has moved to sell its 13 million tons per annum Optimum Colliery near Witbank after talks to supply Eskom with coal failed. Ilftud Harri, a BHP Billiton spokesperson, refused to comment on the sale, other than to say that the sale was proceeding.

In July last year, Vincent Maphai, the chairman of BHP Billiton South Africa, said the group might sell 6 million tons of its annual allocation of 26.2 million tons at RBCT. RBCT is owned by South Africa's seven largest coal mining companies, which get allocated coal export capacity in the terminal according to shareholdings.

Also in July, BHP Billiton sold its 6 million tons per annum Koornfontein coal mine for \$75 million (R550 million) to an empowerment consortium led by Siyanda Resources and Aka Resources. In February 2004, the group sold its Zululand Anthracite Colliery near Ulundi in KwaZulu-Natal to Australian group Riversdale Mining for R91 million. After the sale of Optimum, BHP Billiton would own three mines in South Africa, down from six at the start of 2006. These are the Douglas, the Middelburg, and the Khutala collieries. Ingwe owns 84 percent of each of Douglas and Middelburg. Xstrata Coal the remaining 16 percent. After the sale of Optimum, Ingwe's output will fall to about 40 million tons per annum.

Exxaro will face stiff competition, however, for the mantle of South Africa's largest coal producer.

Anglo American said last month that a number of coal projects, if approved, could add 25 million tons per annum of South African coal output to the 50 million tons or so of existing output in South Africa.

To meet growing power supply demand, Eskom has embarked on a R97 billion programme to increase its power supply from the existing 36 000 megawatts. Prevost said Eskom was looking to build at least three coal-fired power stations with the ability to generate 4 000MW of power each. He added that many of South Africa's coal mines supplied cheap, low quality coal to Eskom and more expensive, high quality coal for export via Richards Bay.

The first new power station Eskom has been planning since the 1980s is the R26 billion Matimba B at Lephalale in Limpopo. Eskom is expected to award Exxaro the contract to supply coal to the 2 250MW Matimba B power station, which is estimated to be worth more than R20 billion over 40 years at current prices. Exxaro's Grooteegeluk coal mine near Lephalale, South Africa's largest colliery, already supplies the 4 000MW Matimba A plant with 14 million tons of coal a year.

However, Eskom has yet to award the 7 million tons a year coal contract at Matimba B.

Link: <http://www.busrep.co.za/index.php?fSectionId=&fArticleId=3624639>

Ipsa to fire up Newcastle power plant  
Gareth Tredway  
Mail & Guardian  
19 January 2007

Ipsa, the South African power developer, says it will start providing steam and power from its Newcastle gas-fired power plant from February 23, subject to the receipt of its generating licence.

The plant will be Ipsa's first as well as South Africa's first independent gas-fired power plant. Ipsa was created in 2005 to develop, own and manage power plants in Southern Africa. Ipsa says the Newcastle station is one of the country's most environmentally friendly plants, and that it intends to apply to the Department of Minerals and Energy (DME) to be considered eligible for carbon credits.

In October last year, the company took up a secondary listing on AltX, raising R30,9-million in a simultaneous share issue.

The company is also busy negotiating a \$540-\$640-million Coega power project with Eskom, which will see it having 1 MW of capacity by the first quarter of 2008 if all regulatory hurdles are achieved on schedule.

Ipsa shares were bid at R6,10 each by late morning on Friday, valuing the company at just under R400-million. The company says it intends to release its results for the 15 months to end-September 2006 on January 31. - I-Net Bridge

Link:

[http://www.mg.co.za/articlePage.aspx?articleid=296223&area=/breaking\\_news/breaking\\_news\\_\\_business/#](http://www.mg.co.za/articlePage.aspx?articleid=296223&area=/breaking_news/breaking_news__business/#)

---

---

## 5. SA Energy Policy

### Eskom Has R97bn Plan to Beef Up Electricity And Beat Cuts

Cape Argus

Edwin Naidu

January 21, 2007

Amid a growing furore over countrywide powercuts this week, Eskom said the government had approved a R97 billion plan to boost infrastructure as part of a range of long-term measures to avert future cuts. But consumers would have to pay more for electricity to sustain the infrastructure, which is set to come under even heavier pressures demand grows over the next two decades.

The electricity crisis has also raised question marks about SouthAfrica's ability to host the 2010 Soccer World Cup, with Fifa instructing tournament stadiums to have backup generators. Steve Lennon, the Eskom managing director in charge of resources and strategy, said three new power stations had been constructed, but Eskom was not confident this would be sufficient. "The economic boom in the country over the past five years has pushed up demand heavily, and this demand is still increasing," he said.

He said two new power stations in the Western Cape would be up and running before winter while R26 billion would be spent on power stations to be built in Lepahlale and the Drakensberg.

Eskom has committed R97 billion to improving generation, transmission and distribution of electricity. A number of programmes are already under way. These include the refurbishment of mothballed stations Camden, Grootvlei and Komati, and the construction of two new peaking stations at Atlantis and Mossel Bay. Other new base-load plants are in the pipeline, including a coal-fired power station code-named Project Alpha.

Lennon said Eskom was conducting a feasibility study with Namibia, Botswana, Mozambique and the Democratic Republic of Congo to import electricity. Eskom was also planning a wind plant on the west coast and a solar plant in Northern Cape. He said Eskom, which currently has no reserves, hopes to roll out the energy saving programme launched in the Western Cape last year following sustained power cuts.

"We hope in two or three years to build up reserves of up to 15%," he said, adding that consumers would ultimately bear the cost of its investment in infrastructure.

Eskom produces 95% of the electricity in South Africa, but this is only a small portion of the SA energy market. Electricity only caters for 28% of South Africa's energy end use. The other energy carriers are coal (28%), petroleum products (34%), gas (2%) and renewable (8%).

"We currently have the lowest electricity tariffs in the world but the price would have to go up; we cannot build new infrastructure without going this route," he said.

Portia Molefe, the director-general of the department of public enterprises, said: "All these projects add capacity to the system and help ensure that Eskom can meet the growing demand for electricity in South Africa. However there is no denying that over the next few years the situation will remain tight given the less than optimal reserve margin. Therefore the ability to pull electricity from southern Africa is very beneficial."

However, Eskom's long-term planning comes as cold comfort to businesses and consumers who have sustained financial loss and suffered inconvenience.

Ina Wilken, the chairperson of the SA National Consumer Union, said electricity was a basic service and citizens should not be subjected to constant power cuts.

"We are not even experiencing winter yet these types of shutdown have serious economic repercussions and will take months to rectify. South Africa cannot afford this."

On Friday, First National Bank said it would spend R50 million on standby generators in response to blackouts.

Hendrik Schmidt, the Democratic Alliance spokesperson on minerals and energy, said the investigation by the National Energy Regulator of South Africa (Nersa) into the power outages that plagued the Western Cape during the festive season of 2005/2006 indicated that Eskom has a record of failing to heed warnings and regularly test important equipment at Koeberg.

He asked Smundo Mokoena, the chief executive officer at Nersa, to investigate whether the latest shutdown at Koeberg was again the result of negligence and poor maintenance.

Link: <http://allafrica.com/stories/200701210011.html>

Cape Town 'Not a Guinea Pig'  
Business Day (Johannesburg)  
December 21, 2006  
Khulu Phasiwe

The City of Cape Town says it is no longer prepared to be government's guinea pig for the restructuring of the electricity distribution industry. Although the city yesterday said it still supported the industry's restructuring process, it challenged government to use other metropolitan areas as pilot sites for the planned establishment of six regional electricity distributors (REDs).

The city's mayoral committee member for finance, Ian Neilson, urged government to speed up the process of passing enabling laws to ensure certainty in the industry. "We will ... contribute to their structuring process, but we are not interested in being the (host of a) pilot site again," he said. "Once the benefits from the pilot site are evident, the city will ensure that the electricity service in Cape Town is provided in a financially and environmentally sustainable manner."

The minerals and energy department is in the process of presenting the Electricity Distribution Industry Restructuring Bill to Parliament. The new legislation seeks to make it compulsory for all municipalities to be part of SA's six planned REDs. The national treasury is also in the process of signing the long-awaited asset transfer framework, which will stipulate how municipalities and power utility Eskom will be compensated for transferring their electricity distribution assets to the REDs.

Cape Town, which remains the sole shareholder of the country's only electricity distributor, RED1, said it would withdraw from the entity at the end of this month. The National Energy Regulator of SA ruled this week that RED1, which is operating under a temporary license, return its permit to Cape Town from next month.

Link: <http://allafrica.com/stories/printable/200612210773.html>

-----  
-----

## 6. African Energy News

Energy needs drive leaders to alternatives  
United Press International  
13th of January 2007

WINDHOEK, Namibia, Jan. 12 (UPI) The Namibian government announced its decision to turn to nuclear power in order to avoid the possibility of a power supply deficit in southern Africa.

Government made a policy decision to that effect, said Joseph Iita, the permanent secretary in the Namibian Ministry of Mines and Energy. Namibia imports about 50 percent of its electricity needs, mainly from South Africa, but will use its own uranium supply to power the proposed nuclear generation plant, reported The Namibian.

Iita was approached for comment after the Panapress news agency reported Wednesday that Namibia asked for aid in building a nuclear plant.

Energy experts had predicted shortages in the electricity supply in the region due to South Africa's shrinking surplus, increased local demand and lack of investment in new power plants. Nuclear energy is one of the options we are considering; it is not the (only) option, but one of many options, Iita said. We are also looking into renewables like wind and solar power, gas like the Kudu gasfield or hydropower from the Baynes Mountains on the Kunene River. The issue of management and storage of nuclear waste coming from the proposed power plant has not yet been addressed.

We (will) look at all aspects, Iita said. Until plans for a plant are finalized, Aeolus Associated, a Dutch investor, will establish a \$130 million, 92 megawatt wind power farm to meet about 25 percent of Namibia's demand.

Link: <http://www.earthtimes.org/articles/show/19725.html>

Africa 'Entitled to reap the benefits of Atomic Energy'  
The Statesman (Ghana)  
15th of January 2007

There must be no restrictions on African use of peaceful nuclear technology, speakers said at the continent's first conference on nuclear energy's contribution to sustainable development.

Ministers and officials from at least 45 countries pledged in a joint statement to promote the safe and accountable use of nuclear energy, according to Reuters.

The two-day meeting (9-10 January) in Algiers, Algeria discussed Africa's need for electricity from nuclear power stations and discussed how nuclear radiation research may help advance healthcare, agriculture, industry and the environment. Africa has no nuclear weapons.

According to the Magharebia news website, Ramtane Lamamra, Secretary-General of the Algerian foreign affairs ministry, said, "Africa is entitled to reap the benefits of

atomic energy without any constraints or obstacles being put in its way." He noted that this had to remain within the bounds of existing agreements such as the nuclear non-proliferation treaty.

Algerian president Abdelaziz Bouteflika, opening the conference, was quoted as saying, "It prepares for the next summit of the African Union, which could be inspired by the deliberations on how to apply science and technology to development."

Mohammed El-Baradei, Director-General of the International Atomic Energy Agency, said in a statement that his organisation would continue to promote technical cooperation within Africa.

He pointed out that areas of nuclear technical assistance to Africa include the management of groundwater resources, crop improvement, combating the tsetse fly and other pests, treatment of cancer and communicable diseases, nutritional intervention, industrial productivity and environmental protection.

El-Baradei noted that the continent only had two nuclear power reactors, both in Cape Town, South Africa. "Nuclear power makes up only a small part of Africa's energy supply. But South Africa has plans to increase its nuclear generating capacity, and a number of other African countries - such as Algeria, Egypt and Nigeria - have been expressing interest in nuclear power for both electricity production and the desalination of seawater," he said.

Link: [http://www.thestatesmanonline.com/pages/news\\_detail.php?newsid=2047&section=1](http://www.thestatesmanonline.com/pages/news_detail.php?newsid=2047&section=1)

-----  
-----  
**7. Conferences**

PLEASE NOTE SECCP DOES NOT NECESSARILY ENDORSE OR REJECT ANY OF THE BELOW LISTINGS. INFORMATION PURPOSES ONLY.

**January**

CDM - Africa 2007  
Date: 29-31 January 2007  
Venue: Johannesburg, South Africa  
Email: Shaw.chamurorwa@iqpc.co.za

**February**

CURES Workshop on Biofuels  
Date: 26th of February 2007  
Venue: Johannesburg, South Africa  
Blurb: The purpose of the workshop will primarily be to develop a common position on the SA national biofuels strategy so that civil society can send in comprehensive comments either as a group or as individuals/organisations.  
Contact: Annie Sugrue  
Tel: (011) 407 6726  
Email: annie@ecocity.org.za

Energy Caucus Meeting  
Date: 27th of February 2007  
Venue: Johannesburg, South Africa  
Blurb: A regular meeting to plan energy advocacy, hosted by the SECCP  
Contact: Tristen Taylor  
Tel: +27 11 339-3662  
Email: tristen@earthlife.org.za

5th Renewable Energies Exhibition

Date: 14-17 February 2007  
Venue: Lyon, France  
Tel: +33-472 2232 56  
Email: pbuchou@sepelcom.com

World Sustainable Energy Days 2007 and European Pallets Conference

Date: 28 February to 2 March 2007  
Venue: Wels, Austria  
Tel: +43-732 7720 14386  
Email: office@esv.or.at

March

Financing Renewable Energy Projects Conference

Date: 1st & 2nd March 2007  
Venue: Berlin, Germany

Blurb: C5's Financing Renewable Energy Projects Conference has one simple goal: to provide the most comprehensive programme on how to finance renewable energy projects available anywhere in Europe and the world.

Contact: <http://www.reeep.org/>

Sustainable Energy Use for Local Government Conference

Date: 14 - 15 March 2007  
Venue: Indaba Hotel, Johannesburg, South Africa  
Blurb: SECCP will be presenting.  
Email: thabo@tci-sa.co.za

Climate Change and Business.

Date: 15th & 16th of March 2007  
Venue: Johannesburg, South Africa  
Blurb: SECCP will be presenting  
Email: zia@knowres.co.za

Uranium Africa 2007

Date: 28th & 29th of March 2007  
Venue: Sandton, RSA  
Blurb: Exploring Investment Opportunities For Re-entry Into Uranium  
Email: Isaac.chipswa@iqpc.co.za

Services for All: Theory, Practice, Struggle

Date: 28th & 29th March 2007  
Venue: Cape Town, South Africa  
Blurb: SECCP will be presenting  
Email: d.bruinders@ru.ac.za

April

Africa Power & Electricity Congress and Exhibition

Date: 16 - 20 April 2007  
Venue: Sandton Convention Centre, Johannesburg, South Africa

Climate Change South Africa Conference

Date: 24th & 25th April 2007  
Venue: Johannesburg, South Africa  
Blurb: SECCP will be presenting  
Contact: mabel@tci-sa.co.za

END-----  
-----