



# Cape Chamber of Commerce

Comment on IRP 2010

Energy plan may provide for  
more power than we  
actually need

# Demand Side Management

- Plan admits that demand side measures have merely scratched the surface.
- Huge potential savings from more efficient lighting, use of heat pumps for air/con, solar heating, more efficient machinery are not taken into account.
- The power we save is the cheapest power of all!

# Why has Natural Gas been ignored?

- The plan does not see a role for natural gas before 2019.
- Gas is available now and can bring quick relief.
- It is a clean, versatile fuel that will earn carbon credits.

# The advantages of gas

- Gas power stations can be built in as little as three years and two years for an open cycle plant.
- Capital costs are relatively low.
- Gas power stations can be built at the coast to balance the grid which is coal and geographically top heavy.

# The Double Whammy

- A gas power station provides the base for a gas industry.
- Once the gas is ashore it can be used as a primary fuel for process heat in industry and that saves electricity.
- Gas can both make and save electricity.
- A gas industry will create thousands of new jobs.

# We Have the Gas

- Forrest Oil has found gas off the West Coast.
- Natural gas can be imported.
- We have large reserves of coal bed methane.
- Good prospects for shale gas in the Karoo.

# Power for ferrochrome smelters?

- Ferrochrome smelters should provide their own power.
- Xstrata have already announced that they will build their own power station.
- BHP Billiton and Anglo's are in a position to do the same.
- Eskom should jump for joy at being relieved of this responsibility.

# Own generation

- Own generation must be encouraged because it is self financing and will not be a burden on other consumers and tax payers.
- SASOL are building their own power station to run on gas from Mozambique.
- Mines are planning to use waste coal and methane to make their own power.
- More companies will follow.

# The Retail Price of Electricity

- Eskom sells power at 42 cents a unit – consumers pay up to R1.20.
- This will double in a three years.
- Consumers will use less electricity and find alternatives.
- The demand curve from the metropolitan areas will flatten.
- PV solar power looks very expensive to Eskom but not to consumers who pay retail prices for power.

# Coal and Nuclear days are numbered

- Coal and nuclear costs will go up each year as mining, transport, labour and fuel costs rise.
- Alternative costs for wind, solar etc will remain the same or come down.
- New technology is producing viable alternatives for consumers.
- Many small sources of power are available for local uses such as bio waste, methane from landfill and sewage works.