



Objection to the Draft Integrated Resource Plan 2010

East London Industrial Development Zone / Langa Energy (Pty) Ltd

Introduction to Langa Energy 100MW Solar Park



east london idz
business streamlined

Langa Energy (Pty) Ltd – 100MW Solar Park

- Project located in Berlin, East London on 150 Hectares of land
- Project cost US\$400m direct foreign investment from China-Africa Development Fund
- Job creation 350 direct jobs (20 years) and 1 300 construction jobs. A total of just over 6 000 jobs will be created in the short term as a result of this investment
- Project is a BOOT (Build-Own-Operate-Transfer) system whereby the entire project reverts back to the ELIDZ after the 20 year period
- Project is BBBEE compliant
- Project will improve energy security and dependence of the Eastern Cape on traditional Eskom supply
- Impact on GGP in construction alone will be R1bn in first 3 years
- Tax base to gain an additional R250m over 3 years from construction
- Buffalo City Municipality to gain R29m per annum in value adding activities
- SA to gain an additional R7m in tax from the project per annum
- Project team aims to source most of the component materials locally

Significance for Berlin area

- Individuals below poverty line 59.1%
- Individuals with no income 34.6%
- Not economically active 22.6%
- Berlin has a population of 30.5% youth and they can be targeted for employment
- This area demonstrates statistics under the national average and it must be prioritized for development

Project Objection Specifically to:

- Solar PV only catered for in year 2016
 - Project read to commence in 2011
 - Funding already allocated for the project by the China-Africa Development Fund
 - Suitable land for project already identified
 - EIA has already commenced
 - Advanced off-take negotiations underway with Eskom and Buffalo City Municipality
- Level of 100MW per year for 4 years is too low
 - Project to deliver a minimum of 100MW which would absorb the entire allocation
 - Solar PV allocation too low when compared to wind which results in an unbalanced renewable energy portfolio
 - Unbalanced portfolio results in market distortions, increased supply fluctuations, higher risk

Key Constraints and Risks as Identified in the IRP2010

Constraint/Risk	Does Project Address Constraints and Risks?
Affordability/ Funding	Yes – Inexpensive funding secured
Reduced Carbon Emissions	Yes – Directly and indirectly
New Technology Uncertainties	Yes – Technology has been proven over a number of years in large scale projects
Water Usage	Very minimal
Job Creation	350 permanent and 6 000 associated jobs
Security of Supply	Guaranteed supply during day time hours whilst other technologies could be intermittent
SA Regional Dev & Integration	Project bolsters SA's supply and will contribute to regional development

In Conclusion – Need for a balanced portfolio

- The IRP 2010 makes provision for a total Wind new capacity of 4 500 MW (inclusive of REFIT1 wind), while solar capacity (PV and CSP) for the same period is set at 600 MW
- This is not a balanced portfolio that would help ESKOM reach its intended power generation goal
- Langa Energy's 100MW project is ready to proceed and is highly advanced
- The project meets the Country's development objectives in both people and resources
- This project qualifies for IRP2010 and is ready to be commissioned in 2011

