ELA JHB: IRP2 Presentation

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SECCP
sustainable energy & climate change partnership

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1. Purpose & Opportunity

- DoE and the Government have the chance to avoid disaster
- IRP2 needs to open, fair and transparent
- As the stakes are high, there's a risk that this process will be rushed and modelling won't mirror reality.
- DoE is constitutionally mandated to protect the environment.

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2. Overarching Issues

- Integration with other policy processes
- False generalisation of RE
- Employment as a parameter
- Costs of inaction on Climate Change
- Assumption that RE will be IPPs

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3. Specific Comments

- Problems with demand, GDP, Price Elasticity, EE, Energy Conservation, own generation, externalities (climate, water, etc.), inflation, nuclear, generation cost.
- Written submission has 31 specific recommendations as a minimum.
- Key areas are:
- Climate Change: Follow the LTMS at 470mt CO2-eq peak at 2020

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3. Specific Comments

- Demand: Need for a sectoral approach to demand
- Perverse subsidies implicit in documentation; for example exempting coal from energy conservation
- Externalities: Need to include coal's other costs, such as NOx and SOx emissions
- Tariffs and Prices: Current problems in tariff system still largely unresolved, one size fits all price elasticity approach is unsound, needs to be an understanding that those that require the power must pay for it, and effect of FBE.

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3. Specific Comments

- Climate change: No efficiency parameter; i.e. R per CO2-eq mt saved
- Financial variables need more data: for example, exchange rates assumed constant!
- Data needed on individual generation choices on all parameters, examples overwhelmingly pro-nuclear
- Nuclear: All externalities not accounted for. Need to include costs of potential accidents
- Fuel Costs: More data required

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3. Specific Comments

- GDP: Need to include rising temperatures (costs of climate change). Assumption that rising GDP and/or rising electricity consumption will mean increased jobs
- Massive Hole #1: Distribution Costs Excluded!
- Massive Hole #2: Location Excluded!!!

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4. Modelling Approach

- IRP2 is, essentially, a project viability study
- Parameters need to reflect this
- If the parameters have a range of values (strong/weak exchange rates, min/max water consumption, etc.), then projects that fall in that range are viable.
- This approach does not seem to be undertaken

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5. Nuclear Bias

"The nuclear industry is one of the most exciting fields and much needed industry expansion is necessary in the country. However, the importance of industry involvement in expanding South Africa's nuclear programme cannot be overemphasised, since it is industry that will be called upon to develop and deliver in the near future"

--DoE Director General Nelisiswe Magubane
Engineering News, 21st May 2010

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Thank You

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