MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES QUESTION 639

Mr. R. A. Lees (DA-KZN) to ask the Minister of Energy:

(1) (a) What are the expected costs for the decommissioning of the new nuclear plants, (b) how were these costs determined and (c) who will supply the uranium oxide that will be needed for the new nuclear reactors;

(2) whether her department has identified the need for a new (a) uranium enrichment plant and (b) fuel assembly plant at Pelindaba; if not, why not; if so, (i) what are the expected costs of these plants and (ii) what are the further relevant details? CW784E

REPLY

1) (a) & (b)

The Internationally benchmarked (OECD) cost for the decommissioning is less than 0.5% of the total lifecycle cost of a nuclear power plant, which is normally included in the cost estimates for nuclear electricity tariffs, which remains one of the cheapest forms of electricity available.

(c) South Africa has enough Uranium reserves for the lifetime of the new nuclear reactors planned in the Integrated Resource Plan. The decision on whether to utilise the local resources depends on local uranium mining market competitiveness and the beneficiation strategy. Going forward, the National Nuclear Energy Executive Coordination Committee (NNEECC) has been established to lead, monitor, and ensure oversight of the implementation of the policy. The committee will look into the decision making relating to financing as well as other critical elements like Legal and Regulatory Framework, Skills Development, Stakeholder Engagement and Communication, Nuclear Fuel Cycle, Industrialization and Localization, Funding and Procurement. The NNEECC will take decisions in a phased manner in order to reduce the risks associated with large scale implementation of nuclear projects. The NNEECC will take all facts into consideration before arriving at their decisions. The matters of cost and affordability are key considerations that will be taken into account.

2) (a) & (b)

The listed facilities are part of a Nuclear Fuel Cycle installation. The Nuclear Energy Policy of 2008 deals with the strategy on feasibility studies into the establishment of such facilities. Consequently current studies done by Necsa indicate that it would be feasible and beneficial to localise certain parts of the Nuclear Fuel Cycle, such as enrichment, as part of the Nuclear Power Programme (NPP), on the proviso that sufficient nuclear capacity exists in South Africa. The costs are expected to be less than R20billion, and would be borne by the nuclear fuel customers both locally and internationally. Besides being economically justified, such plants would also add significant social benefit in terms of low and high technology skills development for the South Africa's new Growth Path.