



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

National Assembly Question : 1586

1586. Mr R A Lees (DA) to ask the Minister of Energy:

Has her department determined the (a) future price path of electricity and (b) necessary price increases that will be required to pay for the proposed new build projects currently contained within the 2010 Integrated Resource Plan? NW1640E

Reply:

- a) IRP2010 gives an indication of the impact of the different technology choices (or the new build programme) on the expected price path. The technologies under IRP2010 include coal, gas, nuclear, imported hydro, renewables and energy efficiency interventions. Whilst this has already been indicated in the promulgated IRP2010, further work is being done to update the price path based on a new range of financial parameters, including different discount rates, updated capital and operational costs for the different technologies.
- b) Once this has been completed, considerations will be had about the necessary price path, to determine what the future tariff increases should be over the medium and long term.