



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

**REMARKS BY THE MINISTER OF ENERGY, MS DIPUO PETERS, AT
THE MEDIA ROUNDTABLE BRIEFING ON NUCLEAR ENERGY AT
CROWNE PLAZA HOTEL, ROSEBANK ON 01 DECEMBER 2010**

COO Zungu and Deputy Directors General of the Department of Energy,
Messrs Maqubela, Aphane and Mnguni

Members of the media (who are our guests of honour this evening),
Representatives of the SoEs and in particular Dr Rob Adams, CEO of
Necsa Officials of the DoE, GCIS and other government departments

Ladies and Gentlemen,

It gives me great pleasure to address members of the media this evening on this august occasion organised to mark the end of the year with members of the fourth estate focusing on Nuclear Energy. There are major milestones that we have reached during the course of this year. We hosted the International Youth Nuclear Congress (IYNC) Conference in July 2010 and we have also published the draft Integrated Resource Plan (IRP) 2010 which is presently going through the public participation process.

When the words nuclear are uttered people think of the unmitigated disasters and devastation of Nagasaki and Hiroshima. This

danger, associated with nuclear, is best captured by the profound words President Dwight Eisenhower which he uttered at a press conference in Washington DC almost a month to this day, in November 1956, that “if men can develop weapons that are so terrifying as to make the thought of a global war include almost a sentence for suicide, you would think that man’s intelligence and his comprehension ... would also include his ability to find a peaceful solution.”

President Eisenhower was raising his voice in a sea of despair caused by the possibility, brought about by the nuclear weapons, of a major conflagration. We are now living seven or so decades after the fateful postulations of President Eisenhower.

We are also living in the period post the intermittent calamity of the cold war. We therefore have to join the rest of the world in responding to President Eisenhower’s call for us to find peaceful ways of using nuclear. When we took the decision to voluntarily give up our nuclear options we were joining the rest of the world in a new epoch: of using nuclear to generate electricity.

The acute need to secure reliable energy supplies and the urgent requirement to reduce carbon emissions has put nuclear energy firmly on the agenda as a viable choice to be pursued in order to achieve an acceptable energy mix for our country.

Nuclear energy is becoming a preferred solution address matters related to energy security and energy independence and in efforts to mitigate the dangers posed by climate change. A number of countries are showing renewed interest in nuclear energy while others are

considering the expanding existing programmes, as is the case with our own country.

In 2008, the government of the United Kingdom affirmed the centrality of nuclear energy in responding to the twin challenges of energy security and climate change mitigation. Finland has also launched new reactors that are due to go online within the next decade.

In the same vein, construction continues in China, South Korea, France and Japan. Preparations are also underway in countries such as United Arab Emirates and the United States to enable the construction of nuclear power plants. On the African continent we have seen announcements of intentions to build nuclear power plants from countries such as Namibia, Nigeria, Algeria and Egypt.

As Government, we are engaged in a multi-disciplinary process led by the Inter Ministerial Committee (IMC) on Energy. The IMC has approved the draft Integrated Resource Plan (IRP) which will guide the building of new electricity generation facilities.

The second round of IRP public participation process started in Durban, then Cape Town and tomorrow and Friday it will take place here in Johannesburg. I am hoping that members of the media will attend in much the same way as they did in Durban and Cape Town respectively. Full details of this exercise are available on the website www.doe-irp.co.za.

In 2008, cabinet approved the Nuclear Energy Policy. Accordingly we are now in the implementation phase of this policy. In this respect, the IRP is vital cog in our quest to ensure that the nuclear build programme that will emerge out of this process is both realistic and achievable.

With regard to the implementation of the Nuclear Implementation Strategy, we are looking at key issues with regard to how Government can support and participate in developing the infrastructure required for new build, such as

- ❖ Skills development
- ❖ Legislation and Regulation
- ❖ Industrialisation and Localisation
- ❖ Fuel cycle security
- ❖ Procurement
- ❖ Communication and Stakeholder Engagement

At the same time, we are taking into account key lessons learnt from others countries, and we are in the same vein working on measures to mitigate these risks to ensure success.

There are many concerns regarding nuclear energy construction costs and scheduling internationally. The truth is that some nuclear projects are actually completed ahead of schedule, implying that there are lessons we have to learn once we embark on a successful nuclear build programme. This, of course, will happen once cabinet has approved the final draft of the IRP2010.

We also have to accept and understand that building an industry after a period of almost thirty years of dormancy worldwide is itself going to present challenges. However, once we have surpassed these by commissioning the first reactor, the balance should flow rather seamlessly - as illustrated by many countries.

Nuclear, because of the way it has evolved, is a subject that is usually accompanied by a lot of resistance. We all know that the prevalence, even on a small scale, of a lack of transparency, information itself contributes to these fears. This is why it is essential that there is an active participation in the demystification of nuclear energy applications, be it in the power generation, medical, agricultural or industrial. I am convinced that that at the heart of a successful peaceful nuclear programme is the presence of a major public education campaign

Countries that have successful nuclear programmes have a high percentage of citizens who understand what nuclear energy is, the risks and benefits associated with it and therefore support such programmes. It is therefore the responsibility of all stakeholders – including government - to engage the public regarding nuclear energy education. This includes the media.

The South African Nuclear Energy Corporation (Necsa) continues to carry out feasibility studies into the front end of the nuclear fuel cycle to ensure the prevalence of the security of fuel supply for the new build programme. These studies will feed into the nuclear energy implementation strategy, which at the end will inform the IRP process.

One of the important aspects of a nuclear expansion programme is skills development and skills transfer. The majority of our nuclear energy workforce is ageing and for this program to be sustainable, skills transfer should be emphasized. The nuclear industry in South Africa is relatively small; therefore it is important that we retain the talent that we have in this industry.

Likewise we must do more to attract, develop and deploy young talent to this industry. The young professionals, together with the employers, must ensure that there are formalised programmes within organisations to effect skills development and transfer.

Our recent success in the international radio-isotope market, where we are currently the world leaders in supplying Molybdenum-99, is a clear indication that we can play in the league of the world's best in the nuclear industry.

As a result of a world-wide shortage of medical isotopes, NTP Radioisotopes, a subsidiary of NECSA, has managed to increase group sales by over 80% year on year, and unaudited finances currently show net sales of over R700m for the 2009/10 financial year. You may also be aware that a US contract to the value of up to US\$25 million has been awarded to an NTP Joint Venture.

I would like to thank my department and GCIS for the wonderful job they have done in arranging this second session.

Lastly, I would like to wish all of you and your families the best during the festive season.

I THANK YOU.