

Civil society group to challenge coal power plant bids

When the public hearings for the generation licence applications by the two preferred bidders under the first bid window of the coal baseload independent power producer (IPP) procurement programme take place, various civil society organisations will be there to have their voices heard.



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The [Life After Coal Campaign](#) (which comprises the [Centre for Environmental Rights](#) (CER), [Earthlife Africa Johannesburg](#) (Earthlife) and [groundWork](#)) has opposed Thabametsi coal power plant (Limpopo) and Khanyisa coal power plant (Mpumalanga) applications, and will be presenting their objections, alongside numerous other experts and community representatives opposed to the proposed coal power stations, to the National Energy Regulator of South (Nersa) on 27 March 2018.

The Life After Coal campaign is challenging these new coal plants on the grounds that they would be harmful to the environment and human health, and are risky projects that would produce expensive electricity that South Africa does not need. Despite this, on 8 March 2018, Minister of Energy, Jeff Radebe, [announced](#) that he had requested the office of the director-general of the Department of Energy and the Independent Power Producer (IPP) Office to sign the two coal baseload IPP projects.

Successful and pending litigation

Both proposed coal-fired power station projects are embroiled in legal challenges from civil society organisations because of their climate impacts and the failure to adequately assess these impacts – Thabametsi would be one of the most greenhouse gas-intensive coal power plants in the world.

In March 2017, in a [case brought by Earthlife](#), the Pretoria High Court [ordered](#) the minister of environmental affairs to reconsider Earthlife's appeal of the authorisation of the Thabametsi plant, because the plant was authorised without an assessment of its climate impacts. The subsequent climate change impact assessment (CCIA) showed [serious climate impacts](#), and a subsequent [peer review](#) commissioned by the minister found that Thabametsi's CCIA actually understated the "very high" climate impacts. Despite this, the minister has reissued the authorisation for Thabametsi – a [decision](#) which will shortly be taken back to the High Court.

Following the Thabametsi judgement, groundWork instituted [legal proceedings](#) in late 2017 to set aside the minister of

environmental affairs' authorisation of Khanyisa, also for the failure to adequately assess its climate impacts. This case is still pending in the Pretoria High Court.

Although Thabametsi and Khanyisa were announced as the preferred bidders under the coal baseload IPP programme in October 2016, they still require various authorisations, and all pending litigation against them needs to be resolved before they would be in a position to reach commercial and financial close. The commercial and financial close deadline has already had to be extended on numerous occasions.

There is no guarantee that these projects will get all the authorisations they need in order to go ahead.

In addition to the licences required from NERSA, Thabametsi still requires a water use licence – [objections](#) to this application were submitted by groundWork and Earthlife on 5 March 2018 – and an air emission licence. Khanyisa's provisional air emission licence is subject to an [appeal](#), and its water use licence will be challenged by groundWork.

All of these licences will be met with continuous opposition from civil society organisations, including the organisations that make up and support the Life After Coal campaign.

High-risk projects

In addition, given increased greenhouse gas emission constraints and South Africa's increased water scarcity, there is a very real risk that – even if built – these plants will not be able to operate for their full anticipated lifespans of 30-40 years, causing them to become even more costly and burdensome stranded assets.

South Africa does not need new coal

Apart from the fact that the power stations cannot reach financial and commercial close while these legal challenges are pending and while requisite licences are outstanding or being challenged, there is simply no need for the Minister to approve any new coal-fired electricity capacity. [Research](#) by the Council for Scientific and Industrial Research (CSIR) and Meridian Economics shows that South Africa does not need any new coal capacity, not only because demand projections illustrate that such capacity is not required now, nor in the foreseeable future, but also because it is, in fact, cheaper (and better for the economy) not to build more coal, and to invest in renewable energy instead.

Electricity from Thabametsi and Khanyisa will simply increase the costs of electricity for consumers. The coal IPP price is approximately 40% more expensive than the latest renewable IPPs. Eskom is required to purchase more expensive electricity - which is in any event not needed to meet demand - from the coal IPPs, and the high costs will simply be passed on to consumers.

Water, air and health impacts

If approved, both power stations would have significant and irreversible impacts for water, air, and climate. They will use

large volumes of scarce water needed by communities, and also likely pollute South Africa's already-vulnerable water resources.

Khanyisa would be based in the heavily-polluted Highveld Air Quality Priority Area – home to 12 of Eskom's polluting coal plants, Sasol's Secunda plant, hundreds of mines, and multiple other industries, and in which air pollution's health impacts are a significant burden on large number of population and communities in the area. Khanyisa's proposed coal ash dump could pose significant toxic contamination risks to the already [polluted Olifants River](#) catchment.

The Waterberg-Bojanala, where Thabametsi would be based, is not only water-scarce, but also an [pollution priority area](#).

Conclusion

Committing Eskom to buy expensive and dirty power from these new coal plants is reckless and risky, and will lock South Africa into decades of costly pollution, high water use, and climate change, burdening consumers with expensive, unnecessary electricity, and exposing people and the environment to irreversible harm.

The Life After Coal Campaign urges Nersa to refuse the applications and the minister of energy, Eskom and the financiers of this project to reconsider their support for these two projects. The campaign will continue, through litigation and advocacy, to oppose all new coal-fired power stations, including the two preferred bidders.

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