

CEF merges with South African National Petroleum Company

The Select Committee on Land Reform, Environment, Mineral Resources has received the green light to incorporate the Central Energy Fund group of companies into a single South African National Petroleum Company.



Source: iStock.

The news came to light on Tuesday, 2 May, and was delivered on the back of the release of the committee's annual performance plan and budget for the 2023/24 financial year.

In a briefing by the Department of Mineral Resources and Energy, the committee was informed that the business case and proposal for the amalgamation had been finalised and approved by Cabinet last year.

The department's budget for the 2023/24 financial year is R10.7bn, of which R8.5bn or 79.8% will be allocated for transfers and subsidies classification.

Public entities will receive R2.2bn of the transfer payments budget, while R6bn will go towards the electrification programme (municipalities and Eskom). The balance will go on international membership fees, subsidies to marginal mines for water management and to small-scale miners through funds managed by the Industrial Development Corporation.

Koeberg power plant in the spotlight

During engagement, committee members queried whether the department's plans are sufficient to improve the performance of the existing power stations and add generating capacity. In response, the deputy energy minister, Nobuhle Nkabane said the department cannot divert from what was pronounced by the President last year.

Regarding the extension of the lifecycle of the Koeberg nuclear power plant, the committee asked about the environmental implications of the plan and the existence of a nuclear management plan.

In response, the department assured the committee that it has a robust plan in place to monitor the lifespan of the project, which is scheduled to go beyond 2024, as per the application approved by the Nuclear Energy Regulator.

The department also has an overarching radioactive management plan that was approved a few years ago.

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