MEDIA STATEMENT

NERSA’S CONCURRENCE WITH THE MINISTERIAL DETERMINATION ON THE PROCUREMENT OF 2 500MW GENERATION CAPACITY FROM NUCLEAR TECHNOLOGY

The National Energy Regulator of South Africa (NERSA) announced today that based on the available information and analysis conducted on the draft determination submitted by the Minister of Mineral Resources and Energy in terms of section 34 of the Electricity Regulation Act, 2006 (Act No 4 of 2006), at its meeting held on 26 August 2021, the Energy Regulator decided as follows:

To concur:

1. with the commencement of the process to procure the new nuclear energy generation capacity of 2 500MW as per Decision 8 of the Integrated Resource Plan for Electricity 2019 – 2030 (published as GN 1360 of 18 October 2019 in Government Gazette No. 42784) (‘IRP 2019’) subject to the following suspensive conditions:
   1.1 Satisfaction of Decision 8 of the IRP 2019, which requires that the nuclear build programme must be at an affordable pace and modular scale that the country can afford because it is no regret option in the long term
   1.2 Recognition and taking into account technological developments in the nuclear space
   1.3 To further establish rationality behind the 2 500MW capacity of nuclear. A demand analysis aimed at matching the envisaged load profile post 2030, with the generation profile that would be needed to match that load profile, is required. This will assist to determine the capacity and the scale at which the country would need to procure nuclear

2. that the generator of the electricity produced will be Eskom Holdings (SOC) Limited, or any other organ of state, or in partnership with any other juristic person

Regulator Members:
*Adv NP Sithole (Chief Executive Officer)
*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Mr S Mokoena Ms Z Mpungose Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)
3. that the buyer of the electricity will be Eskom Holdings (SOC) Limited or any entity determined through Eskom’s unbundling process as the future buyer of electricity

4. that the procurer of the nuclear new build programme will be the Department of Mineral Resources and Energy, or any other organ of state, or in partnership with any other juristic person

5. that the procurer designated above will be responsible for determining the procurement process, which will be established through a tendering procedure that is fair, equitable, transparent, competitive and cost-effective, subject to

   5.1 the new nuclear power being procured based on the Engineering Procurement and Construction (EPC) contract principles rather than through fragmented contracts.

NERSA received the draft determination for the procurement of 2 500MW generation capacity from nuclear technology on 6 August 2020. In line with the dictates of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), the Energy Regulator made its decisions after following a public participation process, which included inviting written comments and public hearings to solicit comments from interested and affected stakeholders. All the comments from stakeholders were analysed and taken into account when making the decision.

The Reasons for Decision document will be available on the NERSA website at www.nersa.org.za in due course.

End.

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