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South Africa's new coal-fired plants must have emissions technology

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South Africa's first privately built coal-fired power plants must have the latest technology to reduce harmful emissions, the energy minister said on Tuesday, as a wave of court challenges threaten to derail the projects.

Environmental activists have taken legal action against the new Thabametsi and Khanyisa coal-fired projects and are also lobbying banks and developers against investing in them.

Coal-fired power plants already provide some 90 percent of South Africa's electricity. The country, which has vast coal reserves, is Africa's top emissions polluter although it aims to diversify its energy mix.

The two projects have been in the works since 2016 and form part of an initiative to increase baseload generation capacity.

"When we are using coal we are going to be ensuring that we utilise new technologies to mitigate against those gas emissions," Energy Minister **Jeff Radebe** told reporters after briefing parliament's energy committee.

Asked about Thabametsi, which is expected to produce around 9.9 million tons of carbon dioxide equivalent (CO₂e) per year once phase two of the 1 200 MW plant is built, Radebe said any concerns about the plant would need to be fixed.

"That has to be corrected to ensure that technologies are put (in place) to ensure we reduce those emissions," he said without elaborating.

Thabametsi, situated in South Africa's northern Limpopo province, and Khanyisa located in Mpumalanga province, are backed by local consortia and developers from Korea, Japan and Saudi Arabia, including Marubeni and Saudi Arabian power company ACWA.

Their development is being challenged in the High Court by environmental groups groundWork and Earthlife Africa, represented by the Centre for Environmental Rights (CER).

"These power stations are simply not in the public interest, and we will continue to challenge them on this basis," CER attorney **Nicole Loser** said.

Failure to secure regulatory approval for the two projects, which are initially expected to add more than 850 megawatts (MW) to South Africa's national grid, would potentially halt funding.

Phumza Macanda, a spokeswoman for Absa confirmed that the bank is a potential financial backer of the two coal plants.

"This remains subject to further credit approvals, due diligences and satisfactory outcome on the litigation currently in progress," she said.

Besides Absa, Nedbank, Standard Bank and Rand Merchant Bank are the local banks co-funding Thabametsi and Khanyisa, whose development is expected to inject some 40 billion rand (\$3 billion) into the local economy and create thousands of jobs.

Other potential funders include the Industrial Development Corporation of SA and Development Bank of Southern Africa, according to documents submitted to the energy regulator.

The developers remain committed to the projects.

"We plan to stay involved in the project," said a Tokyo-based official of Japan's Marubeni, which holds a 24.5 percent stake in Thabametsi through wholly-owned subsidiary Axia Power Holdings B.V.

"The project will be carried out," said an official from South Korea's KEPCO who asked not to be named. The KEPCO consortium is preparing to sign financial and project contracts (for Thabametsi) within 2018, according to its May quarterly report. 

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