

NUCLEAR BUILD PROGRAMME UPDATE

GOVERNMENT CONCLUDES THE PRE-PROCUREMENT PREPARATORY PHASE FOR THE NUCLEAR NEW BUILD PROGRAMME

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Government continues to make significant progress in its engagements with various prospective nuclear vendor countries as part of the process towards the implementation of the expansion of the nuclear new build programme, as required for energy security based on a sustainable energy mix. This programme is premised on the Nuclear Energy Policy of 2008; the Nuclear Energy Act 46 of 1999; and the Integrated Resource Plan, (IRP) adopted in 2011.

Similarly, the National Development Plan enjoins us to do thorough investigations on various aspects of the nuclear power generation programme before a procurement decision is taken. These policy prescripts are meant to add 9600 megawatts of electricity to the national electricity grid and ensure that we keep the lights on in a sustainable manner.

Government held consultations with a number of nuclear vendor countries including the United States of America (USA), South Korea, Russia, France, Japan and China. These are the countries that have Pressurized Water Reactor nuclear technology, similar to Koeberg Nuclear Power Plant, situated in the Western Cape. South Africa has been safely using this technology for the past 30 years.

As part of the pre-procurement phase and preparation for the roll out of the nuclear new build programme, Government has entered into several negotiations with vendor

countries and has signed Inter-Governmental Framework Agreements (IGFA) with the Russian Federation, French Republic, and People's Republic of China. South Africa has also signed Agreements with the USA and South Korea. Inter-Governmental Framework Agreements with Canada and Japan are at an advanced stage of completion and are expected to be concluded soon.

These Agreements set out potential frameworks of cooperation that each country foresees where or how they can participate in South Africa's new nuclear build programme. They also mark the initiation of the preparatory stage for the procurement process that will be undertaken in line with country's legislation and policies.

Parallel to this work and as part of the preparatory phase, Government successfully concluded the nuclear vendor parade workshops. The first workshop was held during the week of the 20th October 2014 with the Russian Federation. The second workshop was held with the French Republic, People's Republic of China, Republic of Korea (South Korea), and United States of America during the period of 16-25 November 2014. Government has recently (21–29 March 2015) concluded the third (final) workshop with Canada and Japan.

The nuclear vendor parade workshops entail vendor countries presenting their nuclear technology offerings. The platform was created for vendor countries to showcase and demonstrate their capabilities on how, if chosen, they plan to meet South Africa's needs for the nuclear build programme including the required 9 600 MW (9,6 GW) nuclear power capacity. The vendor parade workshops form part of the Government technical investigation in preparation for a procurement decision.

Senior technical officials from different government departments, energy related State Owned Entities, and academia involved in nuclear and engineering programmes (nuclear experts) participated at the workshops to engage in robust and open technical discussions with the vendors as well as among themselves.

As previously explained by government, vendor parade workshops were held with countries who chose to and were ready to engage in this manner having signed the

Intergovernmental Framework Agreement as a requirement. The conclusion of this vendor parade marks a significant milestone in the government pre-procurement phase for the roll out of the nuclear new build programme.

Government wants to be self-sufficient in exploiting the entire nuclear fuel cycle for peaceful use of nuclear technology to address the socioeconomic needs of the country. In keeping with this policy requirement, the vendor countries were requested to present their offerings to address the entire nuclear new build programme value chain focusing on the following key aspects; *Nuclear Power Plant Technology and Construction, Multipurpose Research Reactor Technology and Construction; Financing and Commercial Matters; Manufacturing, Industrialization and Localization; Human Resources and Skills Development; Public Awareness and Information Centers; Safety, Liability and Licensing; Nuclear Fuel Cycle (Front and back end); Nuclear Siting and Permitting; Nuclear Non-proliferation Matters.*

Over the past six months period a high powered delegation of up to 80 South African nuclear experts guided by the policy prescripts have thoroughly interrogated and analyzed the technological offerings for the vendor countries during the pre-procurement phase. The outcome of this pre-procurement phase has demonstrated that each of the vendor countries presented unique proposals (unique solutions) to implement the Nuclear New Build Programme. This outcome will support the Government decision making processes to develop a transparent, fair, cost effective and competitive procurement process for selecting a strategic partner(s) to implement the Nuclear New Build Programme.

Going forward the procurement process will be presented for approval by Energy Security Cabinet Subcommittee and endorsed by Cabinet. Once endorsed by Cabinet the procurement process will be presented for deliberation by Parliament, and then government will launch a procurement process well in time to ensure that South Africa commissioned the first unit by 2023 and last unit by 2030.

Government remains committed to ensure energy security for the country, through the roll out of the nuclear new build programme as an integral part of the energy mix.

Government remains committed to ensuring the provision of reliable and sustainable electricity supply, as part of mitigating the risk of carbon emissions. The nuclear new build programme will enable the country to create jobs, develop skills, create industries, and catapult the country into a knowledge economy. Government remains committed to a procurement process that is in line with the country's legislation and policies.

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