

MEDIA RELEASE: IMMEDIATE

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NERSA CONCURRENCE WITH THE SECTION 34 DETERMINATION FOR 2 500MW OF NEW NUCLEAR GENERATION CAPACITY

The Department of Mineral Resources and Energy (DMRE) welcomes the National Electricity Regulator of South Africa's (Nersa) concurrence of 26 August 2021 with regards the Ministerial Determination in terms of section 34 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) with respect to 2 500MW of new nuclear energy generation capacity.

The 2 500MW for the Nuclear New Build Programme is informed by Decision 8 of the Integrated Resource Plan (IRP2019) to "*Commence preparations for a nuclear build programme to the extent of 2 500 MW at a pace and scale that the country can afford because it is a no-regret option in the long term.*" The IRP 2019 is the 20-year electricity generation plan and promotes an inclusive energy mix that encompasses various sources of energy such as coal, nuclear, gas, solar, wind, hydro and so forth. Thus, Nuclear energy is integral to South Africa's future energy mix as a country.

The 2 500MW for Nuclear New Build Programme is further informed by South Africa's Nuclear Energy Policy of 2008 whereby ***Principle 3. States that "Nuclear Energy shall form part of South Africa's strategy to mitigate climate change."***

Prior to the Nersa concurrence, in June 2020, the Department issued a Request for Information (RFI) to test the market for the successful implementation of the Nuclear New Build Programme (NNBP). A thorough assessment of the RFI responses is indicative of market appetite and feasibility for the implementation of the NNBP in South Africa.

The Department will now embark on preparations for the procurement of the 2 500MW Nuclear New Programme. In line with Minister Gwede Mantashe's policy pronouncement during this year's Budget Vote in Parliament, the DMRE plans to issue the Request for Proposal (RFP) at the end of the 2021/22 financial year. The Department aims to complete the procurement of the 2 500MW nuclear programme in 2024 in line with the five-year Strategic Plan and the Medium-Term Strategic Framework to ensure security of energy supply.

The timing of the procurement is informed amongst others by the planned decommissioning of the coal power plant fleet (24 100MW) post 2030 which would introduce instabilities to the national electricity grid. In implementing the NNBP, the Department is guided by international best practice and the milestone approach of the International Atomic Energy Agency (IAEA) of which South Africa is a member state. The procurement of the 2 500MW NNBP in 2024 provides adequate time for construction, commissioning, and connection to the electricity grid of this new capacity to ensure continued security of supply.

The Department of Mineral Resources and Energy remains committed to act with diligence and transparency in the implementation of the NNBP, identified as one of the specific interventions for the energy sector and contained in the Economic Reconstruction and Recovery Plan of the country. The DMRE further assures the people of South Africa that nuclear power is a safe, clean, reliable and affordable form of energy.

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