



Environmental
Advisory Services

The Phase Gas Pipeline Strategic Environmental Assessment (SEA)

01-13 November 2017



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA



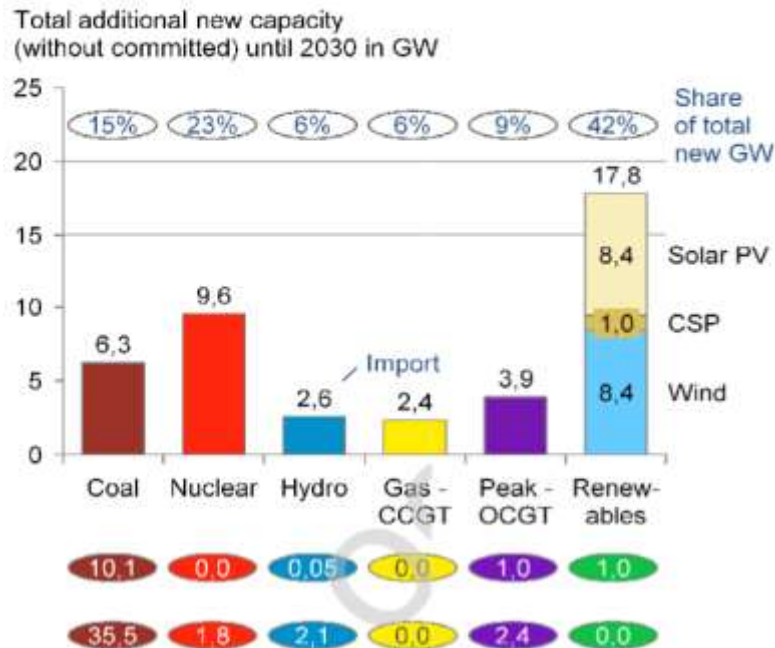
Background – Energy Planning

- White Paper on Energy Policy 1998
 - Energy security
 - Access to affordable, sustainable energy
 - Energy mix utilizing all of the energy resources of the country and flexibility of supply
 - Appropriate balance between energy demand and supply
 - Balance the use of natural resources with environmental considerations
 - Pursuing cooperation between African countries and the need for a Pan-African energy strategy – SA compatible with regional energy strategies
 - Market based pricing – competition
 - Energy governance
 - Facilitate energy efficiency (industrial, mining and commerce)
 - Called for integrated resource planning
- Integrated Energy Plan (drafts) – guides future energy infrastructure investments considering government policies including climate change, security of supply, beneficiation, and demand – informs the development of energy road maps (coal, gas, renewables, nuclear)

Background – Energy Planning

- Integrated Resource Plan 2010 – 2030 (detailed plan)
 - Identifies the energy mix for the country based on the Integrated Energy Plan – new build requirement MW
 - Identifies the technology and the timeframes for commissioning
 - Includes a carbon constraint
 - Considers costs/MW

After consultation process: Policy-Adjusted IRP



- IRP 2010 – 2030 is a debated document
 - Externalities
 - Carbon commitment
 - Technology costs
- IRP is being updated – final document expected at end November

Background – Energy Procurement

- Public Finance Management Act – requires open bidding process for procurement including the procurement of energy
- To start the procurement process within the confines of the IRP, the DOE determines the contribution of various energy technologies to be procured and commissioned within an identified period and who should provide the energy (SOE or independent power producers) – called a determination
 - new build coal
 - gas
 - renewables
 - nuclear
- Independent power producers then bid to be allowed to supply a certain MW, and become preferred bidders and receive energy generation licenses from NERSA

Further Gas planning

- Gas Utilisation Master Plan is the roadmap for the development of the gas economy - plan considers the further contributions that gas can make to the energy mix
- The gas contribution to the energy mix – in 2012 the DOE determined that 3 126 MW of new generation capacity should be sourced from gas-fired power generation between 2021 until 2025
- Currently being initiated
 - 2015 DOE released a RFI to gauge the interest in gas to power of IPP
 - DOE considering gas to power at ports using imported LNG
 - Based on the response to the REF - PIM (project information memorandum 2016) identified Coega (1000 MW)/Richards Bay (2 000MW) as the 1st phase of gas to power = 3 000MW
 - Saldanha port will be considered in the future through a new determination.
- Further progress is awaiting the revised IRP

Future Petroleum and Gas economy

- Operation Phakisa 2014 - is an initiatives to fast track the implementation of solutions on critical development issues – identified in the RDP and confirmed in the NDP (inequality, poverty and unemployment)
- Government intends to implement priority programmes better, faster and more effectively
 - Oceans Economy lab
 - Health lab
 - Education lab
- Oceans Economy which is to unlock the potential of the SA coast and considered 4 critical areas
 - Marine transport and manufacturing
 - Off shore oil and gas exploration – 11 initiatives
 - Aquaculture
 - Marine protection services and ocean governance
- Phased gas pipeline fits into the offshore oil and gas exploration lab as initiative A1
- Phased gas pipeline was identified as necessary to promote a gas economy and exploration by providing a path to the available market
- The Strategic Environmental Assessment for the oil and gas pipeline was identified in the Off shore oil and gas exploration lab to be undertaken to accelerate gas development around the country
- The partners DEA, DOE, DPE, iGas, Transnet and Eskom have now commissioned the CSIR to undertake the SEA

Strategic Environmental Assessment

- SEA as the 'big brother' of EIA, intended to be a pro-active instrument for addressing environmental consequences before implementation
- SEA is a high level strategic assessment intended to support the site specific authorisation process
- SEA does not compare technologies, decide on the energy mix or assess the carbon footprint of technologies - which are covered in the IRP 2010-2030 and energy planning policies - IEP
- SEA does not remove the site specific authorisation although it may simplify it – i.e. standard, EMPR etc.
- SEA does not intend to consult at the site level but more at a national level
- SEA is consulting with national departments, provincial departments as well as district/local municipalities and a limited public consultation process as a more comprehensive process is undertaken at project level
- SEA aims to identify corridors for the phase gas pipeline location which has the least environmental sensitivities (including social) and engineering constraints as well as an appropriate site level approval process