



Sappi SA
Draft IRP(E) 2
2010
Durban
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Midrand
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sappi

COMMENTS ON THE DRAFT IRP(E) 2 2010

» Presented by:

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**SENIOR REGIONAL ELECTRICAL ENGINEER
SAPPI SA TECHNICAL: ENGINEERING
BRAAMFONTEIN**

Sappi Appreciation

- Thank you for registering Sappi as an interested and affected party of the IRP(E) 2 2010 Project.
- Thank you for the opportunity to present Sappi's preliminary comments on the Draft IRP(E) 2 2010.
- Sappi is committed to take part and will submit detail comments. This presentation must be read in conjunction with the written submission which will be made by 10 December 2010.

Sappi Participation with other I & A Parties

- Apart from being registered as an Interested and Affected Party Sappi participates also through Interested and Affected Parties such as EIUG, BUSA, EETC of the NBI and PAMSA (Paper Manufacturers Association of South Africa).
- There may therefore be some overlap in the comments in our presentations and written submissions.

Sappi Background

- **Sappi Ltd - global paper company.**
Sappi SA –
 - Has 8 Saw, Pulp & Paper Mills
 - Is a Key Consumer of electricity with an annual consumption of more than 2500GWh and a maximum demand of more than 300 MVA
 - 5 Mills are fed by Eskom and 3 by local authorities
 - Co-generates more than 45% of its regional demand from a combination of fossil fuel and renewable black liquor obtained from the pulping processes and wood waste
 - Is a signatory to the Energy Accord

■ **PARTICIPATION IN GREENHOUSE GAS ABATEMENT**

■ **Sappi Tugela Mill**

- A CDM Project converted an existing boiler from coal to bark
- Reducing coal consumption by 53 000 tons per year
- The project won the Africa Energy award for The Most Innovative Co-generation Project in 2008

■ **PARTICIPATION IN GREENHOUSE GAS ABATEMENT - cont**

■ **Sappi Saiccor Mill**

- In 2009 the Amakhulu Expansion Project won the same award as Sappi Tugela
- Three criteria were considered:
 - Harnessing waste heat on a large scale – 45MW turbo-generator
 - Reducing energy demand – 2300GWh generated from 200 000 tons of coal per year
 - Best usage of waste heat and new technology to generate additional power and reduce emissions

- **MEDIUM TERM POWER PURCHASE PROGRAMME (MTPPP)**

- Sappi Ngodwana Mill

- Sappi Saiccor Mill

- **DEMAND SIDE MANAGEMENT (DSM)**
 - ETA Award winning Sappi Tugela River Pump Station Upgrade
 - Numerous further opportunities identified
 - Registration as an ECSO on a Regional Basis

■ **INCREASED CO-GENERATION**

- Sappi Ngodwana Mill

- Sappi Saiccor Mill

- Sappi Tugela Mill

■ **RENEWABLE POWER GENERATION**

■ **Forest Waste**

- Lomati
- ?

■ **Hydro**

- Numerous rivers in Sappi Forests
- Proposed Ngwadini Dam Upstream from Sappi Saiccor Mill

- **General Comments on the Draft IRP(E)(2) 2010**
 - There is no clear alignment among the IRP 1 2009, the IRP(E) 2 2010 and the MTRMP (Medium Term Risk Mitigation Project)
 - Will IRP 1 or IRP(E) 2 be used as guideline for the approval of new generation?
 - There is no clear implementation plan for IRP(E) 2
 - Will regular updating of the IRP(E) take place?
 - A GDP growth trajectory of an average of 4.6% over the next 20 year is optimistic
 - How can electricity from coal be imported when generation is disallowed locally

- **General Comments on the Draft IRP(E) 2 2010 - cont**
 - All producers of electricity must be given equitable access to the transmission infrastructure
 - Co-generation, own generation and associated wheeling should be treated as a Supply side response.
 - The IRP must equitably take into account all sources and combinations thereof to generate electrical energy

■ **General Comments on the Draft IRP(E)**

2 2010 - cont

- How realistic are the assumption regarding stakeholder expectations and key constraints, in view of the absence of the Integrated Energy Plan which will to a large extent be based on the same assumptions.
- Although renewable sources of power such as wind and solar are the preferred technologies, coal will remain a viable base load generation option.
- Definition of Renewables is unacceptable.



**THANK
YOU**

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