

13 January 2022

Attention: Prof Malegapuru Makgoba
The Chairperson
Eskom Board
Eskom Holdings SOC Ltd

Email:

CC: Mr André de Ruyter
The Chief Executive Officer
Eskom Holdings SOC Ltd

Email:

Dear Sir,

INQUIRY INTO THE EXTENSION OF THE KOEBERG NUCLEAR POWER STATION

OUR REF: EN2011-026

YOUR REF: UNKNOWN

1. We refer to the above.
2. According to Eskom, Koeberg needs to replace its steam generators as part of its ongoing maintenance, even if Koeberg was to shut down at the end of its life in July 2024. The Eskom Board approved the steam generator replacement project in 2010. Given that the existing steam generators have continued for ten years since that approval and that now there is only two years left of the licensed lifetime of Koeberg, we seek clarity/question the justification of starting such a project in 2022. It would be reasonable to assume that the replacement is only necessary, should a "life extension" be granted by the Regulator.
3. Eskom states that steam generator replacement, replacement of the refuelling water storage tanks, replacement of the Unit 2 reactor vessel head and ageing management evaluations are needed as part of the refurbishments that are needed to extend the life span of Koeberg.

ORGANISATION UNDOING TAX ABUSE NPC

Reg No.: 2012/064213/08

Directors: WL Duvenage (CEO), Adv. S Fick,

Non-Executive Directors: W Modisapodi (Chair), P Majazi, LJJ Pauwen, T Pillay Van Graan, Dr H Volmink

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4. OUTA construes this proposed maintenance work as refurbishment in anticipation of the life extension of Koeberg beyond 2024 and not simply general maintenance to keep Koeberg functional indefinitely. Kindly confirm whether in fact the proposed refurbishment and replacement of the steam generators forms part of the life extension process.

5. According to the NNR, Eskom does not have a licence to operate beyond 2024. In effect then, if the SGR work is part of the extension of Koeberg, then this means that Eskom is continuing with the life extension of Koeberg without the necessary approvals. Given that the actions of Eskom impact on the price of electricity, and therefore on the economy, please could the Board clarify the following:
 - 5.1 Whether Eskom has identified the risk of the new steam generators becoming stranded assets if the required approval from the NNR is not forthcoming, and what the financial implications of that would be; and
 - 5.2 Whether the Eskom board has revisited the 2010 decision in light of the current energy landscape, to determine if this project is still a cost-effective decision to spend R20bn (possibly more given Eskom's capital expenditure program history), to deliver the electricity from Koeberg.

6. The safety case still requires NNR approval and must undergo public participation. The costs of nuclear power were revised upwards significantly after public consultation which led to the decisions that "new" nuclear power is not required before 2030, in the latest IRP. It is our view that there is a likelihood that the same view will occur once the cost of a life extension to Koeberg is factored into the plan.

7. Furthermore, kindly provide us with clarity on the following:
 - 7.1 What is the anticipated total cost of the life extension of Koeberg, inclusive of all projects necessary for the LTO, safety compliance and waste disposal?;
 - 7.2 What are the calculated impacts hereof on electricity tariffs?; and
 - 7.3 Have the Koeberg life extension costs have been included in the MYPD5 application to NERSA?

8. In light of the seriousness of this matter, we hereby request that it might be best to meet with you to discuss the merits and concerns highlighted in this letter. In this regard, kindly provide us with a suitable time, date and platform for the purposes of such meeting.

9. We trust that you find the above in order and look forward to hearing from you by the end of this month.

Yours Sincerely,



Wayne Duvenage
Chief Executive Officer
OUTA – Organisation Undoing Tax Abuse
Email: