

IN THE HIGH COURT OF SOUTH AFRICA

GAUTENG DIVISION, PRETORIA

Case no:

In the matter between:

ORGANISATION UNDOING TAX ABUSE NPC
(Registration no: 2012/064213/08)

Applicant

and

**THE NATIONAL ENERGY REGULATOR OF
SOUTH AFRICA**

First Respondent

KARPOWERSHIP SA COEGA (RF) (PTY) LTD
(Registration no: 2020/754336/07)

Second Respondent

KARPOWERSHIP SA SALDANHA BAY (RF) (PTY) LTD
(Registration no: 2020/754347/07)

Third Respondent

KARPOWERSHIP SA RICHARDS BAY (RF) (PTY) LTD
(Registration no: 2020/754352/07)

Fourth Respondent

KARPOWERSHIP SA (PTY) LTD
(Registration no: 2019/537869/07)

Fifth Respondent

**MINISTER OF MINERAL RESOURCES AND
ENERGY N.O.**

Sixth Respondent

**MINISTER OF FORESTRY, FISHERIES, AND THE
ENVIRONMENT N.O.**

Seventh Respondent

ESKOM HOLDINGS (SOC) LTD
(Registration no: 2002/015527/30)

Eighth Respondent

CONFIRMATORY AFFIDAVIT



I, the undersigned,

GROVÉ STEYN

do hereby make oath and say:

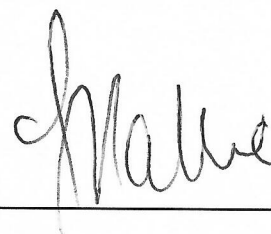
1. I am an adult male Managing Director and infrastructure and regulatory economist at Meridian Economics, an energy and infrastructure economics advisory firm with offices situated at 23 Belmont Road, Rondebosch, Cape Town.
2. The facts contained herein fall within my personal knowledge and are true and correct.
3. I confirm that STEFANIE FICK, the deponent to the applicant's founding affidavit, has consulted me in my capacity as energy expert on the issue of NERSA's decision to grant electricity generation licences to the second, third and fourth respondents. I have read the founding affidavit of STEFANIE FICK and confirm the content thereof insofar as it pertains to me and the advice given and opinions expressed by me.
4. I hold the following degrees:
 - 4.1 BEng (Ind. Eng) from the University of Stellenbosch;
 - 4.2 BA (Econ. and Soc.) from the University of South Africa;
 - 4.3 MSc (Eng) Energy Studies from the University of Cape Town; and
 - 4.4 DPhil from the University of Sussex, UK.



5. An abbreviated Curriculum Vitae setting out my qualifications and experience is attached hereto as annexure "A".


DEPONENT
Grové Steyn

Signed and sworn before me at CAPE TOWN on this 26th day of APRIL 2022 after the deponent declared that he knows and understands the content of this declaration, has no objection to taking the prescribed oath and considers the prescribed oath to be binding on his conscience. There has been compliance with the requirements of the Regulations contained in Government Gazette R1258, dated 21 July 1972 (as amended).



COMMISSIONER OF OATHS

FULL NAMES:

ADDRESS:

EX OFFICIO:

FERHANA VALLIE
COMMISSIONER OF OATHS
PRACTISING ATTORNEY - RSA
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Grové Steyn

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https://twitter.com/grovesteyn 🌐

Grové Steyn is one of South Africa's leading infrastructure and regulatory economists. He combines high-level strategic insight with strong quantitative, financial and economic analytical skills, honed from his wide-ranging experience in infrastructure policy, project modelling and finance, economic regulation, competition and commercial litigation. He founded and leads an impactful advisory group and think tank, Meridian Economics. Meridian supports clients with the day-to-day financing and regulatory challenges of infrastructure development, but also develops financing and other strategies to address the system-level challenges of accelerating the transition pathways of carbon intensive emerging economies to environmental and socioeconomic sustainability.

Skills

- Energy and applied economics
- Regulatory economics
- Climate Finance
- Asset valuation and risk assessment
- Tariff and pricing design
- Advanced financial modelling
- Commercial strategy
- Contract negotiations
- Litigation support
- Team leadership

Positions

03/10 - PRESENT

Founder & Managing Director / Meridian Economic Pty (Ltd), RSA

Meridian Economics is a specialist economics advisory group and think tank providing executive level decision support, strategic advice and advanced analytics capabilities. See www.meridianeconomics.co.za.

06/12 – 10/14

Board Member & Chairperson of the Regulatory Committee / Ports Regulator of South Africa

The Ports Regulator is the economic regulator of the South African National Ports Authority.

03/12 – 04/15

Senior Associate / Econex, RSA

Econex provided advisory services in the areas of competition economics, applied economics, regulatory economics, and international trade.



07/03 – 02/10

Independent advisor and specialist consultant / RSA

Grové provided strategic advisory services in the area of infrastructure project development and infrastructure industry reform and regulation.

4/02 – 06/03

Head: Sector Analysis Section, Employment and Economic Policy Unit, / Human Sciences Research Council, RSA.

Grové set up this new section with a research focus on Industrial diversification and employment.

4/97 – 12/97

Policy Advisor / National Electricity Regulator, RSA.

As member of the Executive Team Grové was responsible for co-ordinating regulatory policy development and interaction with the government on electricity supply industry (ESI) policy matters.

01/94 - 10/96

Programme Manager (Energy Sector Governance and Structure) / Energy and Development Research Centre, UCT, RSA

Grové was responsible for the management of a five-person research and consultancy team, fund raising and policy advocacy. Key responsibilities included the governance and structure of the electricity and gas sectors, and the funding and management of South Africa's national electrification programme.

04/92 - 12/93

Policy Researcher / Energy and Development Research Centre, UCT, RSA

Grové was responsible for researching policy options to overcome constraints to household electrification in the structure and governance of the South African electricity distribution industry.

02/91 - 03/92

Assistant Industrial Engineer / ESKOM, Natal Region, RSA

Grové was responsible for industrial engineering projects on electrification, productivity measurement and transmission maintenance information systems.

08/90 - 01/91

Assistant Industrial Engineer / ESKOM, Salt River & Acacia Power Station, RSA

Grové was the assistant to the Production Manager. Central projects included the improvement of plant maintenance schedules.

12/03 – 06/06

Founder & Director / GreenX Energy Pty (Ltd), RSA

GreenX Energy conducted the first commercial transactions in tradable renewable energy certificates (TREC's) in South Africa.

4/02 – 2008

Founder & Director / The KnowledgeBridge Limited, UK

TheKnowledgeBridge assisted organisations with specialist science-based knowledge communication.



Education

2002

DPhil - Science and Technology Policy Research (SPRU) / University of Sussex, United Kingdom

Dissertation title: **"Governance, Finance and Investment: Decision Making and Risk in the Electric Power Sector"**. The research investigated the institutional mediation of firm exposure to investment uncertainty; its contribution to information asymmetry problems; its governance impact on technology choice and investment behaviour; as well as on the nature of technological path dependence in power sector technologies.

1994

MSc (Eng.) Energy Studies / University of Cape Town, RSA

Thesis entitled: "Restructuring the South African electricity supply industry".

1994

BA (Econ and Soc) / Unisa, RSA

1988

BIng (Industrial Engineering) / University of Stellenbosch, RSA

Professional Roles

- | | |
|---------------|---|
| 10/19 – 10/22 | Member of the Presidential Economic Advisory Council
Appointment by President Ramaphosa. The Council advises the President and the Economic Cluster of Cabinet on matters related to economic policy. |
| 12/18 – 7/19 | Member of the Eskom Sustainability Task Team
Appointment by President Ramaphosa. The Task Team advised the President on appropriate strategies to respond to the Eskom financial and operational crisis. |
| 05/12 – 04/13 | Chairperson of the Technical Advisory Committee for the Mergence Renewable Energy Debt Fund.
Mergence is a BEE asset manager based in Cape Town. |
| 02/06 – 02/07 | Member of the Windfall Tax Task Team
Appointment by the Minister of Finance, Trevor Manuel to investigate whether windfall profits were being generated by the liquid fuels industry, in particular the synthetic fuels industry, and whether a windfall tax should be imposed if such profits existed. |

Recent, Selected Project Experience

A detailed project listing is available at: <http://meridianeconomics.co.za/project/>

- 06/18 – present Public interest advisory research on strategies for Eskom debt relief, proposal for a large scale climate finance transaction for Eskom, Eskom unbundling and regulatory reforms.



05/19 – 07/20	Study investigating the cost of power system scenarios delivering a faster transition and increased CO2 mitigation in the power sector. https://meridianeconomics.co.za/wp-content/uploads/2020/07/Ambition.pdf
05/18 – Present	Investigation into Eskom's financial viability and options for its restructuring and other strategies to resolve the financial crisis of coal power in South Africa.
03/18 – Present	Further investigation into the viability of coal fired power in South Africa and the need for institutional reforms to facilitate the energy transition.
12/16 – 11/17	Study into the viability of coal-fired power in South Africa and the implications for Kusile and the older coal-fired power stations.
10/14 – Present	Specialist advisor to Burgan Cape Terminals to assist with their regulatory licence and tariff applications for their petroleum storage facility on the Eastern Mole of Cape Town Harbour.
06/14 – Present	Preparation of a detailed submission to the Competition Commission LPG Market Inquiry on behalf of Borbet.
06/14 – Present	Specialist advisor to Sunrise Energy on regulatory, tariff application and commercial matters related to their LPG import terminal project in Saldanha Bay.
02/14 – Present	Specialist economist advisor to Heavy Energy Users Group in Nelson Mandela Bay Metro and Madibeng for litigation on electricity tariffs.
02/14 – Present	Project leader for a coal market study for Eskom.
12/13 – Present	Specialist economist advisor to Eskom in arbitration proceedings with Optimum Coal Mine.
06/13 – 09/13	Advisor to Gigajoule (Pty) Ltd on the expected economic impact on Mozambique of a North-South gas transmission pipeline; and the rationale for gas-to-power in South Africa.
05/13 – Present	Specialist advisor to Spring Lights Gas (a gas trader in KZN) on matters related to commercial strategy, tariff book restructuring and the regulatory approval of maximum prices for piped gas and tariff structures.
11/12 – 04/13	Advisor to the Chief Economist of the Competition Commission on matters relating to asset valuation and project economics in the Sasol Polypropylene case.
10/12 – 01/13	Specialist economics advisor to the Eskom intervention in the Competition Tribunal hearing on the Glencore – Xtrata merger.
06/12 – 12/13	Specialist regulatory advisor to Eskom on matters relating to the regulatory methodology for NERSA's multi-year tariff determinations (MYPD) for Eskom.
04/12 – Present	Lead advisor and project leader of the ROMPCO (Sasol Gas) gas transmission tariff application to NERSA.
11/11 – 02/12	Advising the Presidential Review Committee on State Owned Enterprises on the impact of economic regulation and SOE governance on the performance of SOEs.
05/10 – 06/11	Electricity sector demand response (DR) business development with Premium Power CC (in conjunction with Australian partners: Energy Response Pty Ltd).
10/09 – 11/09	Advisor to the South African Local Government Association (SALGA) on response to Eskom MYPD II tariff application.
06/09 – 02/11	Expert witness in arbitration case between EB Steam and Eskom regarding pricing of interruptability services (load reduction).
04/09 – 06/09	Advisor to SALGA on response to Eskom interim tariff application for 09/10.



- 09/07 – 06/08 Member of consulting team advising NERSA on the establishment of a Renewable Energy Feed-In Tariff (REFIT).
- 09/06 – 09/11 Advisor to Transnet Limited on pipeline and ports regulatory and commercial strategy, and preparations and submissions of regulatory tariff reviews.
- 05/06 – 06/07 Appointed by the Minister of Finance to a task team to “assess the fiscal regime applicable to windfall profits in the liquid fuels sector”.
- 02/06 – 04/06 Advisor the EDI Holdings on the restructuring of the South African electricity distribution industry (EDI).
- 06/05 - 08/05 Invited Visiting Fellow at the Science Policy Research Unit (SPRU), University of Sussex.
- 04/05 - 05/05 Advisor to the National Electricity Regulator on their preparations for implementing a multi-year pricing regime for Eskom (the national South African power utility).
- 12/04 - 04/05 Advisor the EDI Holdings on the restructuring of the South African electricity distribution industry (EDI), with primary responsibility for financial modelling and analysis.
- 08/04 - 12/04 Leading an international consortium of consultants supporting and advising the National Electricity Regulator on conducting Eskom’s annual price review.
- 04/04 - 12/04 Leading a consortium conducting financial modelling for the National Electricity Regulator to assess the impact of proposed incentive based regulation regimes on Eskom Transmission and Distribution.
- 08/03 - 12/03 Coordinated the consulting team advising the National Electricity Regulator of South Africa on the Eskom 2004 price review.
- 12/01 - 02/02 Consultant to the South African Department of Public Enterprises on implementing reforms to the Electricity Supply Industry and Eskom to prepare for the gradual introduction of competition.
- 05/00 - 10/00 Member of an international consulting consortium, led by the Norwegian firm, ECON, advising the South African National Electricity Regulator on the liberalisation of the South African power sector. I was employed as the team's regulatory expert.
- 03/00 - 04/00 Advisor to the South African Department of Minerals and Energy on "Policy and Strategy for Electricity Supply Industry Reform for the Republic of South Africa".
- 12/99 - 02/00 Conducted a preliminary investigation for the South African Department of Minerals and Energy and the National Electricity Regulator into the establishment of a competitive electricity market in South Africa.
- 06/97 - 12/97 Member of a three person team appointed by the Department of Minerals and Energy to advise and assist the Deputy Director General and the Minister with initiating the rationalisation of the South African electricity distribution sector (Eskom Distribution and municipal electricity departments).
- 10/95 - 10/96 Member of the Department of Mineral and Energy Affairs’ energy policy white paper drafting team, with primary responsibility for drafting electricity sector policy.



Recent Publications and Reports

- Steyn G, Tyler E, Roff A, Renaud C & Mgoduso L, 2021. The just transition transaction: A developing country coal power retirement mechanism. Meridian Economics, Cape Town. September 2021.
https://meridianeconomics.co.za/wp-content/uploads/2021/10/2021-09-28_What-is-the-JTT_Final-Report.pdf
- Roff A, Steyn G, Tyler E, Renaud C, Brand R and Burton J, 2020. A vital ambition: Determining the cost of additional CO2 mitigation in the South African electricity system. Meridian Economics, Cape Town. July 2020. <https://meridianeconomics.co.za/wp-content/uploads/2020/07/Ambition.pdf>
- Steyn G, Burton J & Steenkamp M, 2017. Eskom's financial crisis and the viability of coal-fired power in South Africa: Implications for Kusile and the older coal-fired power stations. Meridian Economics, Cape Town. 15 November 2017. http://meridianeconomics.co.za/wp-content/uploads/2017/11/CoalGen-Report_FinalDoc_ForUpload-1.pdf
- Steyn G, 2012. The impact of economic regulation on the management and performance of South African State Owned Enterprises. Prepared for the South African Economic Regulators Conference, Johannesburg, 21 – 22 August 2012.
- Steyn G, 2006. Investment and Uncertainty: Historical experience with power sector investment in South Africa and its implications for current challenges. Working Paper prepared for the Management Programme in Infrastructure Reform and Regulation (MIR) at the Graduate School of Business, University of Cape Town. 15 March 2006.
<http://www.gsb.uct.ac.za/gsbwebb/mir/documents/Eskom-InvestmentUncertainty.pdf>
- van Seventer D E, Goode E, Steyn G & Gilwald A, 2005. Determining an Appropriate Methodology for an Economy-wide Study of the Impact of Restructuring and Privatisation on the SA Economy. Working Paper 6-2005. Trade and Industrial Policy Strategies (TIPS), Johannesburg.
- Teljeur E, Gillwald A, Steyn G and Storer D, 2003. Regulatory Frameworks: Impact and Efficacy, Volume II, Detailed Sectoral Reports. Prepared for the TIPS Forum, June 2003.
- Steyn G, 2003. Review of Administered Pricing in South Africa: Electricity. Report prepared for National Treasury, 29 August 2003.
- Steyn, Grove. 2003. "Review of the Effectiveness of Utility Regulation in South Africa." Working Paper, Office of the Presidency, South Africa.
- Steyn G, and Daniels RC. 2003. Engineers and Technicians. Chapter in book. HSRC Human Resource Bi-Annual Directory. Pretoria, 2003.
- Scott A, Steyn G, Geuna A, Brusoni S, Steinmueller E. 2001. The Economic Returns to Basic Research and the Benefits of University-Industry Relationships: A literature review and update of findings. Report for the Office of Science and Technology (UK) by SPRU - Science and Technology Policy Research. November 2001.
- Steyn G, 2000. A competitive electricity market for South Africa: The need for change and a strategy for restructuring South Africa's electricity supply industry. Prepared for the South African Department of Minerals and Energy. Pretoria. February 2000.

Extra-mural activities

Aviation qualifications: Glider Pilot's Licence, instructor's rating; and Private Pilot's Licence (power).

Sport: Running, Cycling, and hiking.

