

South Africa to spend \$94 mln on nuclear energy development

It won't solve the 2007 problem but ground should be broken immediately.

Reuters
February 15, 2006

South Africa will spend 580 million rand in fiscal 2006/07 on the development of a pebble bed modular reactor (PBMR) as it searches for new energy sources, the Treasury said on Wednesday.

The country plans to build a PBMR near its only existing nuclear power facility Koeberg, north of Cape Town, as it scrambles to find alternative sources to meet growing electricity, with demand expected to exceed supply by 2007.

"Allocations of 600 million rand and 580 million rand were made in 2004/05 and 2005/06 and a further 580 million rand is budgeted for 2006/07," the Treasury said.

The PBMR is a high-temperature, closed-cycle gas turbine power conversion system and the government sees nuclear fuel as central to meet future energy demands. It hopes for a commercial pebble bed reactor within a decade.

The government will own 51 percent of the total equity in the project, including shares by the Industrial development Corporation and power utility Eskom. The remainder will be held by both local and international investment partners.

Parts of the country have been plagued by power failures, largely blamed on poor infrastructure, which the Treasury said was in serious disrepair. These have been worsened by the three-month closure of Koeberg for repairs.

About 100 billion rand will be invested in electricity generation capacity over the next decade, to be shared between Eskom and independent power producers.

South Africa's demand for electricity is increasing at an average of 1,000 megawatts a year. Eskom is recommissioning three mothballed power stations, which together with the PBMR will add 5,304 megawatts to the national grid.

Eskom will also be a partner on the Inga River hydroelectrical project in the Democratic Republic of Congo, with a budgeted expenditure of 1.6 billion rand over five years, the Treasury said.