Eskom urged to consider 'green' power

Investing in alternative sources 'would help stabilise the price of electricity in the long run'

Environmental activists want it still to invest in renewable energy, such as solar panels, and support the local manufacturing industry. PICTURE: MASIXOLA MASOKEDA

[illegible] Eskom's mothballed hydropower to expensive coal-fired power stations on the utility this week could cause a significant hike in the price of electricity, for the very first time in four successive years.

Cyanogen [illegible] revealed the World Wide Fund for Nature (WWF) have speculated why the utility was not harnessing its alternative energy resources, such as solar and wind power.

Research published a year ago showed that whole renewable energy such as wind and solar power would require large-scale investment, it would not significantly raise the price of electricity.

The research by Dr Andrew Marquard of the University of Cape Town, who helped compile part of a joint report on [illegible] renewable energy for South Africa, showed that the use of renewables would raise the price of electricity in the year 2020 by 10 percent. This was compared to a 30 percent increase of the country pursuit the nuclear alternative.

This week Eskom asked the National Energy Regulator to approve a 45 percent increase per year for the next three years, or a 180 percent increase (sic) over [illegible] followed by a 16 percent increase for each of the following two years to fund the construction of new coal-fired power stations to meet soaring demand.

Pete du Pisani, WWF's trade and international programme adviser in South Africa, said while increases were necessary, the government was being made to mothballing that would become more expensive in case coal-fired power stations would become cheaper in time.

He argued that electricity prices would raise anyhow, and that fuel costs were a worry, particularly since Eskom expected its own coal costs to double by 2015.

"Initially capital costs for clean energy options are indeed higher. However, as with any other technology cost (including coal), with scale and breakthroughs, subsequent investment becomes cheaper.

"Clean energy technologies like large-scale concentrating solar power are expected to be price competitive with new coal power as early as 2010-2020."

Du Pisani said Greenpeace point out that renewable energy could be beneficial, creating not only opportunities for local manufacturing industries, but also creating much needed jobs.

"When used for appropriately sited areas far from the grid, it [illegible] generating access to reliable clean energy. Renewable energy has the greatest benefits, transmission on average of 100 kWh, or more depending [illegible] and the multiple effects of rural economic empowerment.

"Renewable energy could [illegible] rural areas far from the grid, [illegible] generating access to reliable clean energy. Renewable energy has the greatest benefits, transmission on average of 100 kWh, or more depending [illegible] and the multiple effects of rural economic empowerment," said Du Pisani.

He added that because renewable energy could up such a small part of the energy mix, the effect of price [illegible] on electricity price [illegible] energy would not [illegible] tariff electricity price [illegible] from a 10% cost [illegible]

"Moreover, we are bound to reach this level sooner or later and likely within the next decade. So increase in tariffs a gradual, gradual increase would be least risky. But beyond that, we will need access to affordable clean energy technologies of which a knowledge concentration is crucial supply – to stabilise electricity costs into the future," said Du Pisani.

Brad Smith, head of Greenpeace Africa, said there was an urgent need to review Eskom's build programme, not just in terms of its power change, but in relation to how to ensure use of the resources [illegible]

Smith reflections also resulted in weight, he said, supporting that alternative resources – the largest users of electricity – remain off the grid during the day, coming on line after peak hour at night.

"These solutions are not being looked at. Eskom is doing what it knows how to do – [illegible]," said Smith.

Andrew Kisinger, Eskom spokesman, said the utility had signed to build the Medupi and Kusile mothballed power stations, which would add around 10 [illegible] to the grid by 2017, "in the absence of alternatives at the time".

Developing hydro power was not viable in South Africa, alternative generation from natural gas was not an option, wind had capacity-reliability challenges, although a wind farm was being developed in the Western Cape, and nuclear was being mothballed because it was government policy.

Eskom and the Department of Public Enterprises said beyond the three-year a renewable energy feed-in tariff which would allow independent renewable power producers to build solar, wind or other power stations.

"Our electricity need for the [illegible] means that building Medupi and Kusile will be needed to cater for Eskom's security of electricity supply," said Sylvester Chauke, Public Enterprises spokesman.

Kisinger warned that if no decision was made within the next [illegible] about whether to go ahead with the construction of a new nuclear power station to be commissioned by 2017, the only other alternative would be the building of a third large mothballed power station to meet energy needs while the utility determined what alternative energy sources were viable, and that independent power producers entered the market.