

NOVEMBER 2010

BACKGROUND INFORMATION DOCUMENT

PROPOSED ESTABLISHMENT OF A
WIND ENERGY FACILITY
ON A SITE NORTH OF OYSTER BAY
EASTERN CAPE PROVINCE

ENVIRONMENTAL IMPACT ASSESSMENT PROCESS



Renewable Energy Systems (RES) Southern Africa (Pty) Ltd is proposing to establish a commercial wind energy facility and associated infrastructure on a site located approximately 6 km north of Oyster Bay in the Eastern Cape Province. An area which falls within the Kouga Local Municipality has been identified for consideration within an Environmental Impact Assessment (EIA). It is proposed for a cluster of up to 80 wind turbines to be constructed over an area of approximately 23 km² in extent. The nature and extent of this facility is explored in more detail in this document.

AIM OF THIS BACKGROUND INFORMATION DOCUMENT

This document aims to provide you, as an interested and/or affected party (I&AP), with:

- » an overview of the proposed wind energy facility project.
- » an overview of the Environmental Impact Assessment (EIA) process and studies being undertaken to assess the project.
- » details of how you can become involved in the EIA process, receive information, or raise issues, which may concern and/or interest you.

MORE ABOUT RES SOUTHERN AFRICA

RES Southern Africa is a renewable energy project developer, and is part of the international RES Group. RES has been in existence since the 1970s and is considered one of the leading international developers, with decades of experience in the renewable energy and construction industries developing, constructing and operating wind energy facility projects.

RES Southern Africa's portfolio of projects, which are at an early stage of development, have an estimated installed capacity of close to 500 MW. The RES team are able to draw on the considerable technical and engineering resources concentrated within the wider RES Group, and the experience that comes from the development of more than 5000 MW of onshore wind energy projects worldwide.

OVERVIEW OF THE PROPOSED PROJECT NEAR OYSTER BAY

The site near Oyster Bay site was selected for the development of a wind energy facility based on its wind climate (high wind speeds), suitable proximity in relation to the existing electricity grid, and minimum constraints from a construction and technical point of view. Wind monitoring is planned to be undertaken using an 80m wind monitoring mast to confirm the wind regime conditions on the site.

The wind energy facility is proposed on the following farm portions:

- » Portion 3 of Farm Klein Rivier 713
- » Portion 1, 2, 3, 4 and the Remainder of Farm Rebok Rant 715
- » Portion 1 and 3 of Farm Ou Werf 738
- » Portion 5 of Farm Klippedrift 732
- » Portion 10 and Portion 12 of Farm Kruis Fontein 681.

The site is located approximately 6 km north of Oyster Bay and falls within the Kouga Local Municipality, in the Eastern Cape Province. Other settlements in the broader region include Humansdorp (~13 km north-east of the site) and Jeffreys Bay (~24 km east of the site). Port Elizabeth lies ~84 km east of the site.

The capacity of the wind energy facility will depend on the wind turbine chosen by RES (turbine capacity and model that will be deemed most suitable for the site). Turbines of between 1.8 MW and 3 MW in capacity are being considered for the site. The total number of turbines proposed for the site could therefore vary as follows:

- » Up to 50 turbines, assuming a turbine capacity of 3MW each
- » Up to 80 turbines, assuming a turbine capacity of 1.8 MW each

The final turbine numbers and capacity will be determined based on further studies of wind regime, terrain and environmental constraints. Depending on the final selection, the estimated total installed capacity for the proposed Oyster Bay wind energy facility is up to 160MW.

As the performance of the turbines is affected by disturbances to the wind resource, they must be appropriately spaced within the facility. The overall aim of the design and layout of the facility is to maximise electricity production through exposure to the wind resource, while minimising infrastructure, operation and maintenance costs, and social and environmental impacts. The proposed turbines would be appropriately located on the identified site, which covers an area of ~23 km². The broader site is proposed to accommodate both the wind turbines as well as the associated infrastructure which is required for such a facility including, but not limited to:

- » Wind turbines (between 80m – 120m hub height) and concrete foundations to support them.
- » Cabling between the turbines, to be laid underground where practical.
- » Internal access roads to each turbine.
- » Workshop area for control, maintenance and storage.
- » An on-site substation to facilitate the connection between the wind energy facility and the grid.
- » New overhead power line to connect to Eskom's existing Melkhout (132/66kV) substation, which is located approximately 20km north of the site.

MORE ABOUT WIND TURBINES

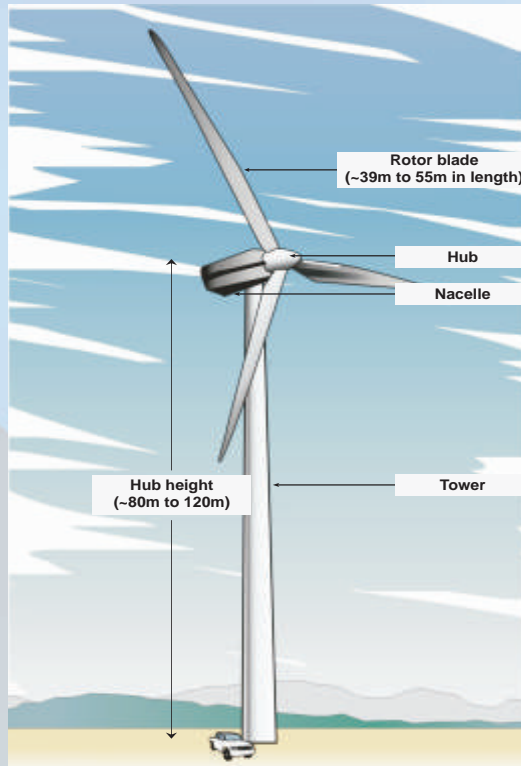
A wind energy facility consists of multiple wind turbines which are used to capture the kinetic energy of the wind for the purposes of generating electricity. This captured kinetic energy is used to drive a generator located within the wind turbine and the energy is subsequently converted into electrical energy. A turbine is designed to operate continuously, with low maintenance for more than 20 years. The length of the construction period for the wind energy facility is estimated to be approximately 18 months. A typical wind turbine consists of four primary components:

- » The foundation unit upon which the turbine is anchored to the ground
- » The tower which is typically between 80m and 120m in height
 - The tower is a hollow structure allowing access to the nacelle. The height of the tower is a key factor in determining the amount of electricity a turbine can generate. Small transformers may occur outside each turbine tower, depending on what make and model of turbine is deemed most suitable for the site. Such a transformer would have its own foundation and housing around it. Alternatively, the transformer could be housed within the tower. The transformers convert the electricity to the correct voltage for transmission into the grid.
- » The nacelle (generator/turbine housing)
 - The nacelle houses the gearbox and generator as well as a wind sensor to identify wind direction. The nacelle turns automatically ensuring the blades always face into the wind to maximise the amount of electricity generated.
- » The rotor which is comprised of three rotor blades (the approximate rotor diameter is in the range of 80m – 112m, and the length of blade is between 40m – 55m long).
 - The rotor blades use the latest advances in aeronautical engineering materials science to maximise efficiency. The greater the number of turns of the rotor the more electricity is produced.

The mechanical power generated by the rotation of the blades is transmitted to the generator within the nacelle via a gearbox and drive train. The wind turns the blades, which in turn spin a shaft which

connects to a generator and makes electricity. The use of wind for electricity generation is essentially a non-consumptive use of a natural resource, and produces zero greenhouse gas emissions.

The amount of energy a turbine can harness is dependent on the wind velocity and the length of the rotor blades. Wind turbines start generating power at wind speeds of between 3 m/s and 5 m/s, with speeds between 8 m/s and 12 m/s required for full power operation. In a situation where wind speeds are excessive, the turbine automatically shuts down to prevent damage.



ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

In terms of the EIA Regulations published in terms of Section 24(5) of the National Environmental Management Act (NEMA, No 107 of 1998), RES requires authorisation from the National Department of Environmental Affairs (DEA) (and in consultation with the Eastern Cape Department of Economic Development and Environmental Affairs (DEDEA)) for the undertaking of the proposed project. In terms of sections 24 and 24D of the National Environmental Management Act (No 107 of 1998), as read with the EIA Regulations of GN R385 (Regulations 27–36) and R387, a Scoping and EIA are required to be undertaken for this proposed project. In order to obtain authorisation for this project, comprehensive, independent environmental studies must be undertaken in accordance with the EIA Regulations. This project has been registered with National DEA under Application Reference number 12/12/20/1585.

An EIA is an effective planning and decision-making tool. It allows the potential environmental consequences resulting from a technical facility during its establishment and its operation to be identified and appropriately managed. It provides the opportunity for the developer to be forewarned of potential environmental issues, and allows for resolution of the issue(s) reported on in the EIA report as well as dialogue with affected parties.

RES has appointed Savannah Environmental, as independent consultants, to undertake a Scoping and Environmental Impact Assessment to identify and assess all potential environmental impacts associated with the proposed project for the area as identified, and propose appropriate mitigation measures in an Environmental Management Plan (EMP). As part of these environmental studies, I&APs will be actively involved through the public involvement process.

The phases of an EIA are as follows:



EIA PROCESS

WHAT ARE THE POTENTIAL ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE PROPOSED PROJECT?

A number of potential environmental impacts associated with the proposed project have been identified. These potential impacts will be assessed through the following specialist studies:

Biophysical Studies	Social Studies
Impacts on Agricultural Potential: impacts on agricultural areas and potential, and land capacity.	Impacts on the Social Environment: the construction and operation of the facility may result in limited job opportunities and could impact on the local land use).
Impacts associated with Geology: impacts associated with geology: relating to the underlying soil conditions and erosion potential.	Noise Impacts: the rotation of the blades may result in noise emissions which could impact on nearby residents.
Impact on Avifauna: birds and bats may be impacted through collision with the blades during operation of the wind energy facility.	Impacts on Heritage Sites and Fossils/Paleontology: disturbance to or destruction of heritage sites and fossils/paleontology may result during the construction of the wind energy facility.
Impacts on Ecology, Fauna and Flora: the construction of the wind energy facility and the associated disturbance of vegetation may impact on ecology.	Visual Quality and Aesthetics: due to their size, wind turbines have the potential to have a visual impact on the surrounding area.

These specialist studies will be undertaken in two phases:

1. The Scoping Phase includes a desk-top study, wherein potential issues associated with the proposed project are identified and evaluated, and those issues requiring further investigation through the EIA phase are highlighted.
2. The EIA Phase includes a detailed assessment of potentially significant impacts identified in the Scoping Phase. Practical and achievable mitigation measures will be recommended in order to minimise potentially significant impacts identified. These recommendations will be included within a draft EMP.

Specialist studies will be informed by existing information, field observations and input from the public participation process. As an I&AP, your input is considered an important part of this process, and we urge you to become involved.

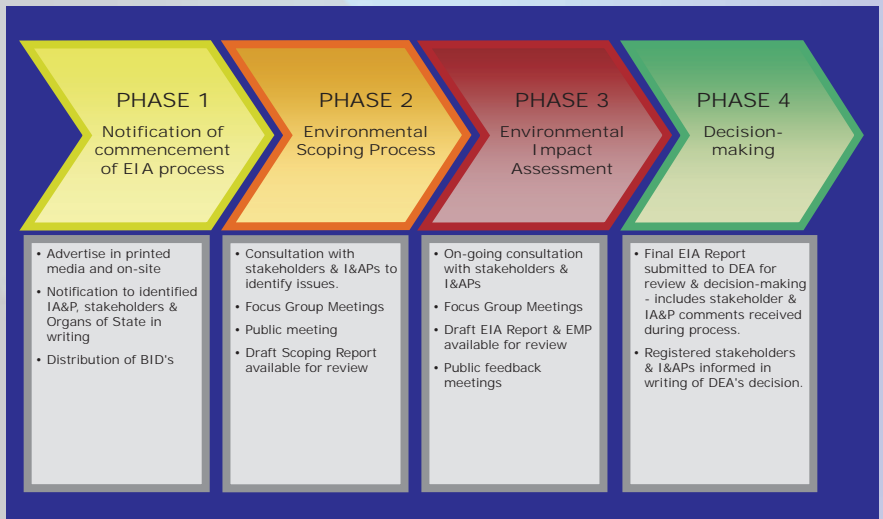
PUBLIC PARTICIPATION PROCESS

The sharing of information forms the basis of the public involvement process and offers you the opportunity to become actively involved in the EIA from the outset. Comments and inputs from I&APs during the EIA process are encouraged in order to ensure that potential impacts are considered within the ambit of the study.

The public involvement process aims to ensure that:

- » Information containing all relevant facts in respect of the application is made available to I&APs for review.
- » Participation by potential I&APs is facilitated in such a manner that I&APs are provided with a reasonable opportunity to comment on the application.
- » Adequate review periods are provided for I&APs to comment on the findings of the draft Scoping and EIA reports.

In order to ensure effective participation, the public involvement process includes the following 4 phases:



YOUR RESPONSIBILITIES AS AN I&AP

In terms of the EIA Regulations, your attention is drawn to your responsibilities as an I&AP:

- » In order to participate in this EIA process, you must register yourself on the project database.
- » You must ensure that any comments regarding the proposed project are submitted within the stipulated timeframes.
- » You are required to disclose any direct business, financial, personal or other interest which you may have in the approval or refusal of the application for the proposed wind energy facility.

HOW TO BECOME INVOLVED

1. By responding (by phone, fax or e-mail) to our invitation for your involvement which has been advertised in local and national newspapers.
2. By returning the attached Reply Form to the relevant contact person.
3. By attending the meetings to be held during the course of the project. As a registered I&AP you will automatically be invited to attend these meetings. Dates for public meetings will also be advertised in local and regional newspapers.
4. By contacting the consultants with queries or comments.
5. By reviewing and commenting on the draft Scoping and EIA Reports within the stipulated 30-day review periods.

If you consider yourself an I&AP for this proposed project, we urge you to make use of the opportunities created by the public involvement process to provide comment, or raise those issues and concerns which affect and/or interest you, and about which you would like more information. Your input into this process forms a key element of the EIA process.

By completing and submitting the accompanying Reply Form, you automatically register yourself as an I&AP for this project, and are ensured that your comments, concerns or queries raised regarding the project will be noted.

COMMENTS AND QUERIES

Direct all comments, queries or responses to:

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To view project documentation, visit

www.savannahSA.com

Oyster Bay Wind Energy Facility

Locality Map

Legend

- National Road
- Regional Road
- Secondary Road
- Farm Portions

