

4 November 2013

Our Ref: C182

Your Ref:

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Attention: Stakeholder

Environmental authorisations for the proposed construction of a 600 Mega Watt (MW) Independent Power Producer (IPP) coal fired power plant and associated infrastructure for KiPower near Delmas in Mpumalanga

(DEA Ref No.: 12/12/20/2333; NEAS Ref No.: DEA/EIA/0000364/2011; AEL Ref No.: 17/4/AEL/MP311/13/01)

An integrated process for the Environmental Impact Assessment (EIA) and the other licence applications listed below is being undertaken for the proposed construction of a 600MW Independent Power Producer (IPP) coal fired power plant and associated infrastructure for KiPower (Pty) Ltd near Delmas in Mpumalanga by Jones & Wagener (Pty) Ltd (J&W). KiPower (Pty) Ltd is a subsidiary of Kuyasa Mining (Pty) Ltd, which also owns the Delmas Coal and Ikhwezi Colliery, both located about 20 km south-east of Delmas in Mpumalanga Province.

KiPower wishes to establish a 600 MW power plant in close proximity to Delmas Coal, utilising coal from this mine to fuel for the power plant. Associated with the power plant, is a proposed ash disposal facility that will be located near the plant.

Associated infrastructure includes:

- Access roads from the nearby R50 provincial road;
- Coal and ash haul route (road and conveyor);
- Contractors camp (for the construction phase); and
- Bulk water supply pipeline (separate Basic Assessment process is currently being undertaken by J&W).

The proposed project and associated infrastructure requires a Scoping and Environmental Impact Reporting (S&EIR) process in terms of the National Environmental Management Act (NEMA), No 107 of 1998 and the EIA regulations (Government Notice Regulation R.543 to 546, published in June 2010). An environmental authorisation from the Department of Environmental Affairs (DEA) is therefore required in order to construct and operate the proposed power plant. In addition to the application under NEMA for environmental authorisation, KiPower is also applying for:

- A Waste Management Licence in terms of the National Environmental Management: Waste Act (NEM:WA), No 59 of 2008 from the DEA;
- A Water Use Licence in terms of the National Water Act (NWA), No 36 of 1998 from the Department of Water Affairs (DWA). The application is supported by an Integrated Water and Waste Management Plan (IWWMP);

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- An Atmospheric Emissions Licence Application (AEL) in terms of the National Environmental Management Air Quality Act (NEM:AQA), No 39 of 2004 from the Nkangala District Municipality;
- An Environmental Management Programme Report (EMPR) Amendment and Closure application for the Pit H area of Ikhwezi Colliery in terms of the Mineral and Petroleum Resources Development Act (MPRDA), No 28 of 2002 from the Department of Mineral Resources (DMR) in Mpumalanga;
- An application for rezoning of Portions 3, 4 and 5 of Haverklip 265 IR was submitted to the Victor Khanye Local Municipality in April 2013. On 23 August 2013 the rezoning of these portions of land was approved for use as a residue facility. An application for rezoning of the power plant footprint has not yet been submitted to the municipality. This land is still in the process of being transferred to Kuyasa Mining from BHP Billiton Energy Coal South Africa (BECSA). Once the transfer agreement is finalised, the rezoning application will be submitted.

The EIA process for the above project began in 2007 and the scoping phase was completed in 2012 when the DEA approved the Final Scoping Report on 7 November 2012.

There are a number of specialist assessments being completed for the project. The Terms of Reference for these assessments were published in the Scoping Report which was available for stakeholder review and comment. The specialist studies have taken longer than initially anticipated due to several factors, namely: seasonal requirements and changes in the level of detail required for several investigations. These studies, when completed will form part of the Draft Environmental Impact Report (DEIR) and Environmental Management Programme (EMPr) that will be made available for public review. The DEIR and EMPr provide an integration of the findings, potential impacts during construction and operation and mitigation measures to minimise the potential impacts.

It is anticipated that the DEIR and EMPr will be available for stakeholder and authority review early next year (2014). Part of the review process will include meetings with authorities and stakeholders. Notifications of when the report will be made available and when meetings are proposed will be distributed early in 2014.

If you haven't already done so, you are encouraged to register as an Interested and Affected Party (I&AP), and submit any comments, questions or issues that you may have about the proposed project to Anelle Lötter or Sibongile Bambisa, Jones & Wagener, Tel (012) 667-4860 or email anelle@jaws.co.za / Sibongile@jaws.co.za.

Yours sincerely,



Anelle Lötter

for Jones & Wagener

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