

25 September 2013

DEA Reference: 14/12/16/3/3/1/54

Our Reference: E02.JNB.000308

Dear Interested and Affected Party (I&AP)

NOTICE OF APPLICATION FOR RECTIFICATION IN TERMS OF SECTION 24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT (ACT NO. 107 OF 1998) FOR THE UNLAWFUL COMMENCEMENT OF VARIOUS LISTED ACTIVITIES FOR THE UNDERGROUND COAL GASIFICATION (PHASE 1 – PILOT PLANT) PROJECT INCLUDING ASSOCIATED INFRASTRUCTURE IN SUPPORT OF CO-FIRING GAS AT MAJUBA POWER STATION, AMERSFOORT, MPUMALANGA

Notice is hereby given in terms of Section 24G of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (as amended) [NEMA] that **Eskom Holdings SOC Ltd** ('Eskom') has submitted a **rectification application** to the **Department of Environmental Affairs (DEA)** for the unlawful commencement of various listed activities associated with the Underground Coal Gasification (UCG) (Phase 1 – Pilot Plant) Project.

The application entails the rectification of the construction of the following infrastructure:

- Pipelines internal to site: main pipeline to Majuba Power Station crosses one (1) perennial stream and one (1) river.
- Raw water dam: ± 3,000 m³ situated within the Gasifier 1 footprint serving as emergency water supply.
- Condensate (process water) dam: ± 12,000 m³ in size situated within Gasifier 1's footprint.
- Borrow pit: ± 2.5 ha, established on the farm Roodekopjes 67HS – developed to fill up an old borrow pit on the same farm and for construction of the project's roads.
- Access and service roads: new roads developed to access the Pilot Plant infrastructure of approximately ± 6.7 km, crossing 4 (four) watercourses.
- Gas Treatment Plant (GTP): simplified pilot version established with a footprint of 30 x 60 m consisting of (a) heat exchanger, (b) liquid separation vessels, (c) emergency gas flare stack, (d) auxiliary pumps and motors, and (e) other small equipment.
- Hazardous substance storage: bulk storage diesel tanks 2 x 23 m³ (46 m³) within a bunded area.
- Water treatment plant (WTP): water filtration plant with 2 x 23 m³ (46 m³) tanks that are used for the separation of water and waste.

All illegal activities commenced on the farm Roodekopjes 67 HS (Portions 1, 2, 3 and remaining extent) where the UCG Pilot Plant and associated infrastructure are located. The farm as well as the above-mentioned portions are owned by Eskom.

The following listed activities have been applied for:

| Relevant Legislation and Listed Activities | | Activity Details |
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| Listed activities in terms of Environmental Conservation Act (Act No 73 of 1989), GN. R.1182 | | |
| 1 (c) | | The construction or upgrading of: (c) infrastructure for the transportation of any substance which is dangerous or hazardous and is controlled by national legislation. |
| 2 (c) | | The change of land use from: (c) agriculture or zoned undetermined use or an equivalent zoning, to any other land use. |
| 7 | | The reclamation of land in inland water including wetlands. |
| 9 | | Scheduled processes listed in the second schedule to the Atmospheric Pollution Prevention Act, 1965 (Act No. 45 of 1965). |
| Listed activities in terms EIA Regulations (2006), GN. R.386 | | |
| 1 (n) | | The off-stream storage of water, including dams and reservoirs, with a capacity of 50 000 cubic metres or more, unless such storage falls within the ambit of the activity |



| Relevant Legislation and Listed Activities | Activity Details |
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| | listed in item 6 of Government Notice No. R. 387 of 2006. |
| 1 (p) | The temporary storage of hazardous waste. |
| 4 | The dredging, excavation, infilling, removal or moving of soil, sand or rock exceeding 5 cubic metres from a river, floodplain or wetland. |
| 7 | The above ground storage of a dangerous good, including petrol, diesel, liquid petroleum gas or paraffin, in containers with a combined capacity of more than 30 cubic metres but less than 1 000 cubic metres at any one location or site. |
| 13 | The abstraction of groundwater at a volume where any general authorisation issued in terms of the National Water Act, 1998 (Act No. 36 of 1998) will be exceeded. |
| 15 | The construction of a road that is wider than 4 metres or that has a reserve wider than 6 metres. |
| 16 | The transformation of undeveloped, vacant or derelict land to – (b) residential, mixed, retail, commercial, industrial or institutional use where such development does not constitute infill and where the total area to be transformed is bigger than 1 hectare. |
| 17 | Phased activities where any one phase of the activity may be below a threshold specified in this Schedule but where a combination of the phases, including expansions or extensions, will exceed a specified threshold. |
| Listed activities in terms EIA Regulations (2006), GN. R.387 | |
| 1 (e) | The construction of facilities or infrastructure, including associated structures or infrastructure, for - any process or activity which requires a permit or license in terms of legislation governing the generation or release of emissions, pollution, effluent or waste and which is not identified in Government Notice No. R. 386 of 2006. |
| 1 (i) | The extraction or processing of natural gas including gas from landfill sites. |
| 1 (q) | The incineration, burning, evaporation, thermal treatment, roasting or heat sterilisation of waste or effluent, including the cremation of human or animal tissue. |
| Listed activities in terms EIA Regulations (2010) GN. R.544 | |
| 18 | The infilling or depositing of any material of more than 5 cubic metres into, or the dredging, excavation, removal or moving of soil, sand, shells, shell grit, pebbles or rock from a watercourse- but including ... (no inclusion relevant). |

Project Background:

An integrated EIA and waste management licensing process (*DEA Ref 14/12/16/3/3/3/61*) is currently underway for the co-firing of gas, produced by the Underground Coal Gasification (UCG) operations, at the Majuba Power Station. This includes all associated infrastructure i.e. production and injection wells, monitoring boreholes, wastewater treatment works, new service roads, and, a new condensate (process water) dam. On 02 April 2013, the final Environmental Scoping Report (ESR) was accepted by the DEA. The compilation of the draft Environmental Impact Assessment Report (EIAR) was drafted thereafter. It should however be noted that during the ESR phase irregularities in the permitting of the existing Pilot Plant were noted and thus a rectification process was entered into for portions of the existing infrastructure not covered by the existing permits. As such the draft EIAR cannot be concluded at this point as it may not be submitted prior to the environmental authorisation for rectification being issued by the DEA.

WHO SHOULD YOU CONTACT?

The professional environmental consultants from Royal HaskoningDHV have been appointed as independent Environmental Assessment Practitioners (EAPs), undertaking the required rectification and public participation process for the project. To

register as an Interested and Affected Party (I&AP) and to obtain more details about the project, please submit your name, contact information and interest in the project on the attached registration and comment form to:

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Yours sincerely,

Sibongile Hlomuka