

APPENDIX F

*Copies of Correspondence
sent to I&APs during the
Scoping Process*

FINAL SCOPING REPORT

Copies of Correspondence sent to I&APs prior to the Release of the Draft Scoping Report

FINAL SCOPING REPORT

Letter 1: Notice of the EIA Process and Request to Register Interest in the Project

PO Box 27688 Greenacres 6057
120 Diaz Road Adcockvale, PE 6001
Phone 041 374 8426 Fax 041 373 2002
Email sandy@publicprocess.co.za
ck 97/32984/23 VAT 44601 68273

20 September 2011

«Title» «First_Name» «Surname»
«Company_Organisation»
«Adress_1»
«Adress_2»
«Adress_3»
«Adress_4»
«City»
«Code»

Dear «Title» «Surname»



RE: Notice of Scoping and Environmental Impact Assessment, for the Proposed Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, Nelson Mandela Bay Municipality (DEDEAT Ref No: ECm1/LN2/M/11-57)

In terms of the National Environmental Management Act (Act no 107 of 1998), as amended (NEMA), and the 2010 EIA regulations published in Government Notice R 543, 544, 545 and 546 on the 18 June 2010 in Government Gazette 33306, notice is hereby given that a Scoping and Environmental Impact Assessment Process is required for the project described hereunder. In terms of the NEMA 2010 EIA regulations you have been identified as an interested and/ or affected party (I&AP) for the above project and have been included on the project I&AP database.

Oiltanking Grindrod Calulo (Pty) Ltd (OTGC) proposes to construct and operate a Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, Nelson Mandela Bay Municipality (NMBM), Eastern Cape Province. Bulk liquids such as, petrol, diesel, jet fuel, paraffin, fuel oil, chemicals and LPG, with a combined storage capacity of approximately 520 000 m³ will be transported to the Port of Ngqura via ship and be piped to the tank farm for storage, prior to supply to the Southern African market and/or re-exported.

In terms of the NEMA (Act no 107 of 1998), as amended, and the 2010 EIA regulations published in GN R 543, 544, 545 and 546 on the 18 June 2010 in Government Gazette 33306 (as amended), a Scoping and Environmental Impact Assessment Process is required as the project includes, amongst others, the following listed activity in GN R 545;

3. "The construction of facilities or infrastructure for the storage, or storage and handling of a dangerous good, where such storage occurs in containers with a combined capacity of more than 500 cubic metres."

Additional listed activities are as follows:

GN R544: Activity 11 (xi); 16 (vi); 18 (i), (iv); 23 (ii) and (24).

GN R545: Activity 5; 6 (i), (ii) and 15.

GN R546: Activity 12 (c); 13 (a) (c) (ii) (ff) (gg); 14 (a) (i) and 16 (iii) (a) (ii) (ff) (ii).

The listed activities require authorisation from the Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). The CSIR has been appointed by OTGC to undertake the Scoping and Environmental Impact Assessment (EIA) required for the project and Public Process Consultants will manage the public participation component of the EIA.


In order to ensure that you are placed on the project database as well as to raise issues and/ or concerns for inclusion in the Draft Scoping Report, you are kindly requested to submit any comments you may have to the participation consultant at the address details indicated above, by no later than **19 October 2011**.

FINAL SCOPING REPORT

To assist you in the submission of your comments we have enclosed with this correspondence a Background Information Document (BID) on the project as well as a comment form. Available information on the project can be downloaded from the website www.publicprocess.co.za. Additional issues and concerns may be raised once the Draft Scoping Report is released for a 40 day I&AP review period. As a registered I&AP on the project database you will be notified of this comment period in writing.

Should you have any queries or require additional information please contact Sandy Wren, Paul-Pierre Steyn or Wandile Junundu using the contact details provided above.

Yours sincerely



SANDY WREN

FINAL SCOPING REPORT

Comment Form with Letter 1 to I&APs

SCOPING PHASE

PUBLIC INVOLVEMENT PROCESS REGISTRATION AND REPLY FORM

SCOPING AND ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

Project Applicant: Oiltanking Grindrod Calulo (Pty) Ltd (OTGC)

OTGC proposes to construct and operate a Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, Nelson Mandela Bay Municipality (NMBM), Eastern Cape Province.

Primary Listed Activity: GN R545 Activity 3.

Return Completed Reply Form to:

Public Process Consultants, PO Box 27688, Greenacres 6057

Phone: 041 – 374 8426 or Fax 041-373 2002 or Email sandy@publicprocess.co.za

Complete all Relevant Sections Below & Return By: 19 October 2011

Please provide your full contact details:

FIRST NAME:	SURNAME:
ORGANISATION:	DESIGNATION:
POSTAL ADDRESS:	
CODE:	
PHONE:	FAX:
CELL:	EMAIL:

Email:

Would you like to register as an interested and affected party? (please tick the appropriate box)

NOTE: You are required to register as an I&AP in order to receive further correspondence regarding the EIA process.

YES
NO

Please clearly state any interest you may have in the project and/or list your issues and comments or questions you may have (use additional pages if required)

Registration and comments form for Issues

FINAL SCOPING REPORT

Background Information Document mailed with Letter 1 to I&APs

next page/...

Report which is released for a 40-day comment period. This report will also include the Plan of Study for EIA. All I&APs on the project database will be notified in writing of the opportunity to comment on the report, which will include an executive summary of the Draft Scoping Report and comment form. Copies of the report can be downloaded from the website www.publicprocess.co.za.

In order to assist I&APs with their understanding of the project and to facilitate the identification of issues and concerns for inclusion in the Final Scoping Report, it is proposed that a public meeting, to which all I&APs are invited, is held during the review period.

STEP 4: FINAL SCOPING REPORT
The comments received from I&APs during the review process are considered in the compilation of the Final Scoping Report before it is submitted to the DEDEA for their decision making. All I&APs on the project database will be notified in writing of the submission of the Final Scoping Report to the authorities (DEDEA) and will be informed of any additional comment period if applicable.

The Final Scoping Report will include the Plan of Study for EIA (PoS EIA) and Terms of Reference for specialist studies to be undertaken as part of the EIA process. The PoS EIA is subject to the approval of the authorities and may require amendment.

STEP 5: DRAFT ENVIRONMENTAL IMPACT ASSESSMENT AND EMP (40 DAYS)
When the DEDEA accepts the Final Scoping Report and PoS EIA, the environmental assessment phase may commence. The purpose of the EIA is to:

- Address issues that have been raised through the Scoping Process.
- Assess reasonable and feasible alternatives that form part of the proposed activity (including the No Go Option).
- Assess potential impacts and
- Recommend management actions to enhance benefits or avoid/minimise potential negative impacts.

This stage in the process entails the compilation and release of a Draft Environmental Impact Assessment for a 40-day I&AP review period. A key component of the EIA process is documenting and responding to comments received from I&APs and authorities. The comments received through meetings held or via written correspondence are compiled into a Comments and Responses Trail for inclusion in the Final Environmental Impact Assessment. The Comments and Responses Trail will indicate the nature of the comment, when and who raised the comment as well as indicate how the comment received has been considered in the Final EIA in the project design or EMP for the project.

STEP 6: FINAL ENVIRONMENTAL IMPACT ASSESSMENT AND DRAFT EMP
The Final Environmental Impact Assessment, including the Comments and Responses Trail and draft EMP, will be compiled for submission to the authorities for decision making. All I&APs on the project database will be notified in writing of the submission of the Final EIA as well as any additional comment period if applicable.

STEP 7: NOTIFICATION OF ENVIRONMENTAL DECISION AND APPEAL PERIOD
All I&APs on the project database will be notified in writing regarding the environmental decision for the project and the appeal period, as well as the manner of appeal.

HOW CAN YOU GET INVOLVED?

1. By responding to our invitation for your involvement advertised in local newspapers.
2. By making or faxing a comment form to the participation consultant indicated below.
3. By telephonically contacting the participation consultant if you have a query, comment, or require further project information.
4. By attending any public meetings within the comment periods provided.
5. By attending any feedback meetings, which may be held during the review period. Should you be registered as an I&AP you will be invited to attend these meetings.

Public Process Consultants
Sandy Wines, Public Process Consultants
PO Box 27805, Ngqura, 6052
Phone 041-274 8402 • Fax 041-274 2002
Cell 082 4509 810 • Email sandy@publicprocess.co.za
Information on this project can be accessed through the website: www.publicprocess.co.za

CSIR

BACKGROUND INFORMATION DOCUMENT

Oiltanking

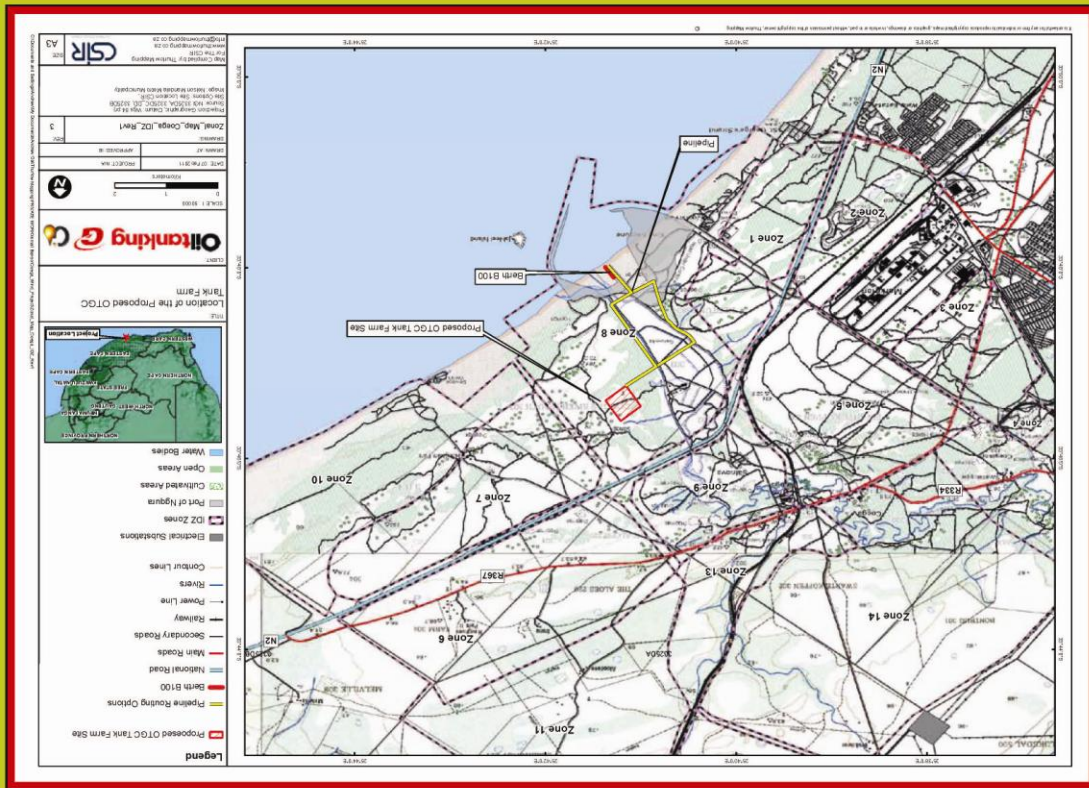
Scoping and Environmental Impact Assessment
Bulk Liquid Storage and Handling Facility, Coega Industrial Development Zone (IDZ)
Port of Ngqura,
Nelson Mandela Bay Municipality

AUGUST 2011

Oiltanking

EIA Reference Number: ECoL/142/M/11-57

FINAL SCOPING REPORT



Report which is released for a 40-day comment period. This report will also include the Plan of Study for EIA. All I&APs on the project database will be notified in writing of the opportunity to comment on the report, which will include an executive summary of the Draft Scoping Report and comment form. Copies of the report can be downloaded from the website www.publicprocess.co.za

In order to assist I&APs with their understanding of the project and to facilitate the identification of issues and concerns for inclusion in the Final Scoping Report, it is proposed that a public meeting, to which all I&APs are invited, is held during the review period.

STEP 4: FINAL SCOPING REPORT

The comments received from I&APs during the review process are considered in the compilation of the Final Scoping Report before it is submitted to the DEDEA for their decision making. All I&APs on the project database will be notified in writing of the submission of the Final Scoping Report, to the authorities (DEDEA) and will be informed of any additional comment period if applicable.

The Final Scoping Report will include the Plan of Study for EIA (PoS EIA) and Terms of Reference for specialist studies to be undertaken as part of the EIA process. The PoS EIA is subject to the approval of the authorities and may require amendment.

STEP 5: DRAFT ENVIRONMENTAL IMPACT ASSESSMENT AND EMPR (40 DAYS)

When the DEDEA accepts the Final Scoping Report and PoS EIA, the environmental assessment phase may commence. The purpose of the EIA is to:

- Address issues that have been raised through the Scoping Process;
- Assess reasonable and feasible alternatives that form part of the proposed activity (including the No Go Option);
- Assess potential impacts; and
- Recommend management actions to enhance benefits or avoid/minimise potential negative impacts.

This stage in the process entails the compilation and release of a Draft Environmental Impact Assessment for a 40-day I&AP review period. A key component of the EIA process is documenting and responding to the comments received from I&APs and authorities. The comments received through meetings held or via written correspondence are compiled into a Comments and Responses Trail for inclusion in the Final Environmental Impact Assessment. The Comments and Responses Trail will indicate the nature of the comment, when

and who raised the comment as well as indicate how the comment received has been considered in the Final EIA, in the project design or EMPr for the project.

STEP 6: FINAL ENVIRONMENTAL IMPACT ASSESSMENT AND DRAFT EMPR

The Final Environmental Impact Assessment, including the Comments and Responses Trail and draft EMPr will be compiled for submission to the authorities for decision making. All I&APs on the project database will be notified in writing of the submission of the Final EIA as well as any additional comment period if applicable.

STEP 7: NOTIFICATION OF ENVIRONMENTAL DECISION AND APPEAL PERIOD

All I&APs on the project database will be notified in writing regarding the environmental decision for the project and the appeal period, as well as the manner of appeal.

HOW CAN YOU GET INVOLVED?

1. By responding to our invitation for your involvement advertised in local newspapers.
2. By mailing or faxing a comment form to the participation consultant indicated below.
3. By telephonically contacting the participation consultant if you have a query, comment, or require further project information.
4. By reviewing the various reports within the comment periods provided.
5. By attending any feedback meetings, which may be held during the review period. Should you be registered as an I&AP you will be invited to attend these meetings.



Public Process Consultants

Environmental Impact Assessment and
Project Management

Sandy Wren, Public Process Consultants

PO Box 27688, Greenacres, 6057

Phone 041 - 374 8426 • Fax 041 - 373 2002

Call 082 4909 823 • Email sandy@publicprocess.co.za

Information on this project can be accessed through the website:

www.publicprocess.co.za

CSIR
let there be science

www.mydrawingroom.co.za

BACKGROUND INFORMATION DOCUMENT

Scoping and Environmental
Impact Assessment
Bulk Liquid Storage and Handling
Facility, Coega Industrial
Development Zone (IDZ)

Port of Ngqura,
Nelson Mandela Bay Municipality

AUGUST 2011

Oiltanking 

EIA Reference Number: ECm1/LN2/M/11-57

FINAL SCOPING REPORT

1. INTRODUCTION TO THE PROPOSED PROJECT

Oiltanking Grindrod Calulo (Pty) Ltd (OTGC) has been appointed by TNPA as the preferred bidder with the view to construct and operate a Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, located approximately 15 km north-east of Port Elizabeth, Nelson Mandela Bay Municipality (NMBM), Eastern Cape Province.

Bulk liquids such as, petrol, diesel, jet fuel, paraffin, fuel oil, chemicals and LPG, will be transported to the Port of Ngqura via ship and be piped to the tank farm with a combined storage capacity of approximately 600 000 m³ for storage, prior to supply to the Southern African market and/or re-exported. Such a facility at the Port of Ngqura will provide independent bulk liquid storage and handling services to the local market while also allowing for an alternative tank farm site for the Eastern Cape once the existing lease for petroleum storage facilities at the Port Elizabeth harbour expires. In terms of the NEMA 2010 EIA regulations (as amended) the project requires a full Scoping and Environmental Impact Assessment.

OTGC is an independent bulk liquid storage provider in South Africa which combines world class expertise in the field of bulk liquids handling of Oiltanking GmbH with the local expertise and the full Black Economic Empowerment credentials of Grindrod South Africa (Pty) Ltd and Calulo Terminals (Pty) Ltd.

2. WHAT DOES THIS DOCUMENT TELL YOU?

This document provides you, as an interested and/or affected party (I&AP), with background information on the proposed project as well as the Environmental Assessment and Public Participation process that will be undertaken for the project. It indicates how you can become involved in the project, receive information and raise issues that may interest and/or concern you. The sharing of information forms an important component of the Public Participation process and provides you with the opportunity to become actively involved in the environmental assessment process from the outset. The input received from I&APs together with scientific investigations assists the responsible authority, in this instance the Provincial Department of Economic Development and Environmental Affairs (DEDEA), with their decision-making.

3. WHAT DOES THIS PROJECT ENTAIL?

The following section presents an overview of the key components of the proposed project, including the supporting infrastructure. The locality map (Figure 1) included with this Background Information Document provides an overview of the proposed locality of the project within Zone 8 of the Coega IDZ as well as the Port of Ngqura and alternative pipeline routes to Berth B100 that will be investigated.

SEE Figure 1 – Locality Map for the Proposed OTGC Project

The project will include the following key components:

- The construction and operation of a tank farm serving as an import distribution channel for the Eastern Cape and as an International Trading Hub for Southern Africa.
- Construction of the storage tanks with a capacity of approximately 600,000 cubic meters (Cbm).
- The tank farm will extend over approximately 20 hectares and will be developed in phases. Phase 1 of the project would comprise up to 35 storage tanks with a total capacity of approximately 200 000 Cbm, which corresponds with the capacity of the existing tank farm in the Port Elizabeth harbour.
- Construction of pipelines of approximately 3 km in length between the tank farm and Berth B100 in the Port of Ngqura.
- Construction of marine loading arms and other related infrastructure at Berth B100.
- Construction of a truck loading gantry with approximately 9 loading bays.

The projected operations are proposed to provide the following services and added economic spin offs towards the shipping, trading and trucking industries.

- **Making bulk:** Consolidating smaller parcels into larger cargoes. This occurs due to draft restrictions or limited availability at the port of loading and the target market being at geographic distance that justifies large parcels capturing economies of scale in freight rates.
- **Breaking Bulk:** Sourcing larger parcels to benefit from economies of scale in freight rates and then serving target markets that require smaller parcels because of their limited demand or draft restrictions.
- **Blending:** Blending products to negate product mismatch caused by different product specifications between source region and consumption region. Or value addition by sourcing components economically and turning them into a higher value product, through blending.

The construction of the project (phase 1) will take approximately 24 months. Phase 2 (additional 10 ha) shall in all likelihood be built in parallel with phase 1 with construction starting prior to the completion of phase 1.

4. ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

In terms of the National Environmental Management Act (Act no 107 of 1998), as amended (NEMA), and the 2010 EIA regulations published in Government Notice R 543, 544, 545 and 546 on the 18 June 2010 in Government Gazette 33306 (as amended), notice is hereby given that a Scoping and Environmental Impact Assessment Process is required as the project includes, amongst others, the following activities listed in GN R 544, 545 and 546. Table 1 below indicates the applicable listed activities together with a summary of the listed activity in the context of the proposed project activities.

Table 1 – Listed Activities

Government Notice No. GNR 544 of 18 June 2011 Requiring a Basic Assessment	
11 (xi)	The proposed pipeline constitutes infrastructure which will cover more than 50m ² , parts of which may occur within 32m of the Coega River and the Port of Ngqura (Note: The development setback line has not yet been defined and therefore is applicable).
16 (vi)	The proposed pipeline constitutes infrastructure which will cover more than 50m ² . The proposed pipeline will require construction and earth moving activities, portions of which may occur within the development setback line.
18 (i), (iv)	Portions of the pipeline are situated within the boundary of the port environment. Construction of the proposed pipeline may entail the excavation, removal and moving of more than 5 m ³ of material within 100 metres inland of the high-water mark of the sea, within the development setback line. (Note: The development setback line has not yet been defined and therefore is applicable).
23 (ii)	The proposed project will result in the transformation of undeveloped land (outside an urban area) for industrial use.
24	The project will result in the transformation of portions of land currently zoned as conservation/open space area in terms of the Coega IDZ Open Space Management Plan.
Government Notice No. GNR 545 of 18 June 2011 Requiring a full Scoping and Environmental Impact Assessment	
3	The proposed project will allow for the storage and handling of dangerous goods such as petrol, jet fuel, paraffin etc.

5	The proposed project through its operations will require a permit/licence for the release of emissions, pollution and/or effluent.
6 (i),(ii)	The proposed project will allow for the transportation of dangerous goods such as petrol, jet fuel, paraffin etc. in gas and liquid form.
15	The proposed project will result in the alteration of more than 20 Ha of undeveloped land.
Government Notice No. GNR 546 of 18 June 2011 Requiring a Basic Assessment (for activities in specified geographic areas)	
12 (c)	The project area will have to be cleared of vegetation for the construction and development of the tank farm and pipeline components. Currently it is unknown if the area to be cleared constitutes 75% indigenous vegetation. The clearance of vegetation will occur within 100 m of the high-water mark within the development setback line. (Note: The development setback line has not yet been defined and therefore is applicable).
13 (a) (c)(ii) (f) (gg)	The proposed project area is approximately 20 Ha in extent, and will have to be cleared of all vegetation, 75% of which could possibly constitute indigenous vegetation. The clearance of vegetation will occur within the Province of the Eastern Cape within a critical biodiversity area as identified by the Eastern Cape Biodiversity Conservation Plan. The clearance of vegetation will occur outside of an urban area within 10 km of the Addo Elephant National Park, while portions of the project will result in vegetation being cleared within 1 km of the highwater mark of the sea and seawards of the development setback line. (Note: The development setback line has not yet been defined and therefore is applicable).
14 (a) (i)	The proposed project area is approximately 20 Ha in extent, and will have to be cleared of all vegetation, 75% of which may constitute indigenous vegetation. The clearance of vegetation will occur within the Province of the Eastern Cape outside of any urban areas.
16 (iii) (a)(ii) (ff)(ii)	The Tank Farm component of the proposed project area will occupy an area approximately 20 Ha in extent, while the pipeline component will require additional land. Buildings exceeding 10 m ² will be developed as part of the Tank Farm. Such construction will occur within the Eastern Cape Province, outside of any urban areas, within a critical biodiversity area as identified in biodiversity plans. Portions of construction will occur within 1 km of the highwater mark of the sea and within the development setback line. (Note: The development setback line has not yet been defined and therefore is applicable).

Note: A precautionary approach has been followed in completing the above Table of Listed Activities, in that if there is any doubt at this stage of the project planning whether or not an activity is included in the project design, then the activity is listed. This list may be refined during the course of the EIA and listed triggers may be removed or added as applicable.

The listed activities require authorisation from the Provincial Department of Economic Development and Environmental Affairs (DEDEA), Cacadu Region. The environmental assessment needs to show the responsible authority, DEDEA, and the project proponent, OTGC, what the consequences of their choices will be in biophysical, social and economic terms. The CSIR has been appointed by OTGC to undertake the Environmental Assessment (EIA) required for the project and Public Process Consultants will manage the public participation component of the EIA. Public involvement forms an important component of this process, by assisting in the identification of issues and alternatives to be evaluated.

The Environmental Assessment Process being implemented can be summarised as follows:

STAGE 1: ENVIRONMENTAL SCOPING (proposed dates: Mid 2011 to late 2011)

This Scoping process is being planned and conducted in a manner that is intended to provide sufficient information to enable the authorities to reach a decision regarding the scope of issues to be addressed in the EIA, and in particular to convey the range of specialist studies that will be included as part of the Environmental Impact Reporting Phase of the EIA, as well as the approach to these specialist studies. Within this context, the objectives of this Scoping process are to:

- Identify and inform a broad range of stakeholders about the proposed development;
- Clarify the scope and nature of the proposed activities and the alternatives being considered;
- Through a process of broad-based consultation with stakeholders, conduct an open, participatory and transparent participation process and facilitate the inclusion of stakeholders' concerns in the decision-making process; and
- Identify and document the key issues to be addressed in the forthcoming Environmental Impact Reporting Phase of the EIA.

STAGE 2: ENVIRONMENTAL IMPACT ASSESSMENT (proposed dates: end-2011 to end 2012)

The purpose of this stage of the EIA is to undertake specialist investigations to address the issues of concern identified through the Scoping Process. This includes the assessment of

alternatives, identification of impacts and the determination of the significance of impacts. Specialists will, where appropriate, formulate mitigatory measures to maximise positive benefits or avoid/minimise potential negative impacts. The following specialist assessments have been identified, at this stage, to form part of the environmental assessment phase of the project:

SPECIALIST STUDY	SPECIALIST
Oil Spill Contingency Plan Review	Alison Dehrman
Marine Ecology Assessment	Dr Robin Carter
Terrestrial ecology	Jamie Pote
Risk Assessment	Michael Oberholzer
Air Quality Assessment	Benton Pillay
Integrated Water Management Study	Philip De Souza
Traffic Impact Assessment	Specialist to be confirmed
Heritage Impact Assessment	Specialist to be confirmed

5. PUBLIC PARTICIPATION PROCESS

Public Participation forms an integral component of the scoping and environmental impact assessment process. The following outlines the steps in the public participation process which will be undertaken to run in parallel to stage one and two of the EIA process.

STEP 1: NOTIFY AUTHORITIES OF ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

An application for Scoping and EIA was submitted to the DEDEA on the 18th July 2011 and the EIA reference number EGM/1/LN2/M/11-57 has been allocated to this application.

STEP 2: NOTIFICATION TO I&APS AND IDENTIFICATION OF ISSUES (30 DAYS)

Step two entails providing notification to I&APs of the project proposal as well as the identification of any issues or concerns. I&APs will be provided with a Background Information Document (BID) on the project, including a locality map and a comment form. One on one meetings will be conducted with relevant stakeholders, where required, during this phase of the process. I&APs will be provided with a minimum of a 30-day period within which to raise any issues of concern for inclusion in the Draft Scoping Report.

STEP 3: I&AP REVIEW OF THE DRAFT SCOPING REPORT (40 DAYS)

All issues and concerns raised by I&APs are compiled into an Issues and Responses Trail for inclusion in the Draft Scoping

FINAL SCOPING REPORT

Copies of Correspondence sent to I&APs on the Release of the Draft Scoping Report

FINAL SCOPING REPORT

Letter 2: Notice of the Comment Period and Availability of the Draft Scoping Report

PO Box 27688 Greenacres 6057
120 Diaz Road Adcockvale, PE 6001
Phone 041 374 8426 Fax 041 373 2002
Email sandy@publicprocess.co.za
Ck 97/32984/23 VAT 44601 68273



15 February 2012

«Title» «First_Name» «Surname»
«Company_Organisation»
«Address_1»
«Address_2»
«Address_3»
«Address_4»
«City»
«Code»

Dear «Title» «Surname»

RE: Notice of Comment Period, Draft Scoping Report for the Proposed Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, Nelson Mandela Bay Municipality (DEDEAT Ref No: ECm1/LN2/M/11-57)

As a registered interested and affected party on the database for the above project you are hereby notified of the 40 day comment period for the Draft Scoping Report which will extend from the **15 February 2012 to the 26 March 2012**. All comments on the Draft Scoping report are to be submitted to the Public Participation Consultant, contact details above, by no later than the **26 March 2012**.

Report Availability

Copies of the Draft Scoping Report are available for public viewing at the **Govan Mbeki Avenue Main Library** as well as the **Motherwell Library** and can be downloaded from the website www.publicprocess.co.za

Public Meeting

To assist in the review of the Draft Scoping Report all I&APs are invited to attend the following Public Meeting where an overview of the Draft Scoping Report will be given and an opportunity will be provided for comments/ queries to be raised. Representatives from the CSIR, the Environmental Consultants for the Project, as well as, Oiltanking Grindrod Calulo (OTGC), the Project Applicant, will be present to engage with members of the public.

DATE	TIME	VENUE
Thursday, 23 February 2012	1 pm	The Paragon, 15 Mangold Street, Newton Park, (Between CJ Langenhoven Drive & 2 nd Avenue, Newton Park)

The purpose of the Public Meeting is to provide you with an overview of the findings of the Draft Scoping Report and obtain your comment and input for consideration in the finalisation of the Scoping Report, prior to submission to the Provincial Department of Economic Development, Environmental Affairs and Tourism for their decision making. Public input forms an important part of the Scoping Process and assists in determining the scope and terms of reference for specialist studies to be undertaken in the EIA Phase of the Assessment.

Notice of Atmospheric Emissions Licence Application

In terms of Section 38 (3) of the National Environmental Management: Air Quality Act, Act 39 of 2004, (NEM:AQA) notice is hereby given of the intention of Oiltanking Grindrod Calulo (Pty) Ltd (the applicant) to submit an application for a new Atmospheric Emission Licence (AEL) to the Nelson Mandela Bay Municipality (licensing authority).

FINAL SCOPING REPORT

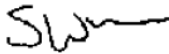
An application for an AEL will be submitted to the Nelson Mandela Bay Municipality in terms of the National Environmental Management: Air Quality Act, Act 39 of 2004. The proposed facility is classified as Category 2: Sub Category 2.2: Storage and Handling of Petroleum Products, listed activity in terms of Section 21 of the Act.

The proposed Bulk Liquid Storage and Handling Facility will release atmospheric emissions through its operations. Bulk liquids will be transported to the Port of Ngqura via ship and will be piped to the tank farm for storage, prior to supply to the Southern African market and/or exported. The proposed Bulk Liquid Storage and Handling Facility will consist of a number of tanks designated for the storage of hydrocarbon and chemical products, such as petrol, diesel, jet fuel, fuel oil, carbon black feedstock, paraffin, Liquefied Petroleum Gas, and ethanol. Further information on the project can be downloaded from www.publicprocess.co.za

To assist you with the submission of your comments we have included with this correspondence an Executive Summary of the Draft Scoping Report as well as a comment form.

Should you have any comments or queries please do not hesitate to contact Sandy Wren, Paul Steyn or Wandile Junundu at the contact details above. We look forward to your participation in this stage of the process.

Yours sincerely



SANDY WREN

FINAL SCOPING REPORT

Comment Form with Letter 2 to I&APs

COMMENT FORM

DRAFT SCOPING REPORT AND NOTICE OF INTENTION TO SUBMIT AN ATMOSPHERIC EMISSIONS LICENCE (AEL) APPLICATION

Project Applicant: Oiltanking Grindrod Calulo (Pty) Ltd (OTGC)

Project: OTGC proposes to construct and operate a Bulk Liquid Handling and Storage Facility in Zone 8 of the Coega Industrial Development Zone (Coega IDZ), Port of Ngqura, Nelson Mandela Bay Municipality (NMBM), Eastern Cape Province (DEDEAT Ref No: ECm1/LN2/M/11-57).

NEMA EIA Regulations, 2010: GN R545 Activity 3 (decision making authority DEDEAT)

NEMA Air Quality Act, Act 39 of 2004: Category 2: Sub Category 2.2: Storage and Handling of Petroleum Products (decision making authority NMBM)

Return Completed Reply Form to:

Public Process Consultants, PO Box 27688, Greenacres 6057

Phone: 041 – 374 8426 or Fax 041-373 2002 or Email sandy@publicprocess.co.za

Complete all Relevant Sections Below & Return By: 26 March 2012

Please provide your full contact details:

FIRST NAME:	SURNAME:
ORGANISATION:	DESIGNATION:
POSTAL ADDRESS:	
CODE:	
PHONE:	FAX:
CELL:	EMAIL:

Email:

Should you wish to de-register yourself as an I&AP on this project database, kindly notify us in writing.

Please clearly state any interest you may have in the project and/or list your issues and comments or questions you may have (use additional pages if required)

FINAL SCOPING REPORT

Executive Summary of Draft Scoping Report mailed with Letter 2 to I&APs

SUMMARY

Project Overview



Oiltanking Grindrod Calulo (PTY) Ltd (OTGC) is an independent bulk liquid storage provider in South Africa. The company is an amalgamation of the internationally renowned Oiltanking GmbH, as well as the locally based Grindrod South Africa (PTY) Ltd and Calulo Terminals (PTY) Ltd. Since its inception, OTGC aims to specialise and expand its operations in developing, constructing, and operating liquid bulk storage terminals throughout South Africa. OTGC is proposing the establishment of a Bulk Liquid Storage and Handling Facility at the Port of Ngqura in Zone 8 of the Coega Industrial Development Zone (IDZ) situated near Port Elizabeth within the Nelson Mandela Bay Municipality (NMBM) of the Eastern Cape Province. Bulk liquids such as petrol, diesel, jet fuel, carbon black feedstock, paraffin, fuel oil, chemicals and Liquefied Petroleum Gas (LPG) will be transported via ship to the berth in the Port of Ngqura and will be piped to the proposed tank farm. The proposed project will also entail the transfer of bulk liquids from the tank farm site to the berth for exporting purposes.



It is also important to note that in line with the Port of Ngqura future expansion plans, a new series of A-Berths will be constructed towards the east of the Port upstream of the Coega River. It is possible that the land-side infrastructure associated with this Bulk Liquid Storage and Handling Facility could be relocated to the new A-Berth once it has been constructed. The impacts associated with the transfer of infrastructure from the existing Berth B100 to the proposed A-Berth will also be assessed in this Environmental Impact Assessment (EIA).

Need for the Project

The Energy Security Master Plan (ESMP) for Liquid Fuels highlights the increase in demand for liquid fuels and the significance of security of supply to the economy of South Africa. The national port systems play a crucial role in the provision of port infrastructure to allow liquid fuels access into the

FINAL SCOPING REPORT

country; however, there are currently limited opportunities at existing South African ports to expand liquid bulk handling and storage facilities. Based on the growth in demand for liquid fuels, the Port of Ngqura currently provides an opportunity to create additional liquid bulk handling and storage infrastructure within the national port system. Therefore, such a facility at the Port of Ngqura will provide a necessary independent bulk liquid storage and handling services to the local market. As a result, the proposed project will ensure that the economy of South Africa is improved by providing more efficient facilities of this nature, and it will ensure that the fuel requirements within South Africa are secured. In addition, the proposed project will represent a suitable alternative to the existing tank farm in the Port Elizabeth Harbour, which is planned to be decommissioned.

Project Description



As described below, the key components of the project include the construction of the tank farm, pipelines and the installation of infrastructure at the berth. The overall project is subdivided into two phases.

In addition to the above, an overall phased approach will be adopted for the construction phase of the project. This phased approach will entail the initial construction of the inland components of the project, such as the tank farm, which will then be followed by the construction of the remaining project components such as the pipelines and berth infrastructure in a seaward direction.

- **Tank Farm:** The construction and operation of the tank farm will serve as an import distribution channel for the Eastern Cape and as an International Trading Hub for Southern Africa. The tank farm will be constructed on a portion of land in Zone 8 of the IDZ, which is owned by Transnet National Ports Authority (TNPA) and has been designated for the storage of bulk liquids. The tank farm will cover an area of approximately 20 hectares, and it will include the construction of storage tanks with a combined capacity of approximately 790 000 m³ for both Phases 1 and 2 of the project. Phase 1 of the tank farm will accommodate the storage and handling of liquid hydrocarbon products currently being handled at the existing tank farm in the Port Elizabeth Harbour, and will contain an overall storage capacity of 233 000 m³. Phase 1 will also include make and break-bulk operations. Phase 2 of the tank farm construction will include additional make and break-bulk operations and possibly the ability to rail liquid products to storage facilities around South Africa, as well as to load products onto vessels calling at the berth. It is planned that Phase 2 will commence upon the completion of Phase 1 in order to maximize the resources used during Phase 1. Three main types of storage tanks will be provided, which includes bulk liquid tanks, LPG tanks and additive tanks. The diesel additive tanks might be stored underground depending on the customer requirements for exothermic cetane

FINAL SCOPING REPORT

improver additives, whilst the LPG tanks will be semi-buried and the remaining tanks will be above-ground. A road tanker loading gantry and rail loading gantry will also be constructed within the tank farm site in order to facilitate the transfer of the bulk liquids from the tankers for distribution within the domestic market. The tank farm will be equipped with concrete bunding as a spill contingency measure.



- **Pipelines:** A maximum of eight pipelines are proposed for both phases of construction. These pipelines will be installed from the tank farm to Berth B100, or possibly to the proposed A-Berth once it has been constructed. Separate pipelines will be constructed for black products (which refer to residual products such as fuel oil and carbon black feedstock), white products (which refer to distillate products such as diesel and petrol), and LPG. Two pipeline routing options have been proposed as part of this project. The pipeline routing option from Berth B100 results in a crossing of the Coega River. This crossing will be above-ground, and will be achieved via means of a causeway provided by TNPA. However, should a situation arise whereby the pipeline cannot be routed above-ground, culverts or trenches will then be investigated and utilized as necessary. The pipeline routing option from the A-Berth will not traverse the Coega River. OTGC aims to construct all pipelines above-ground to avoid excessive environmental disruption of the river banks and floodplain which can be caused by large-scale clearing, excavating and trenching operations for underground pipeline construction.



- **Berth:** At this stage, it is proposed that Berth B100 will be used as the liquid bulk berth for the project, with a possible relocation to the future A-Berth once it has been constructed. This relocation will entail the transfer of the land-side infrastructure from Berth B100 to the proposed A-Berth. OTGC will operate the liquid bulk berth for operations relating to the tank farm, and will also provide and install the infrastructure at the berth. The infrastructure at the berth for Phase 1 of the project includes marine loading arms, associated equipment such as valves and instrumentation, a pig launcher and receiver, and an office block situated on the jetty. Phase 2 will include the construction of additional pipelines and marine loading arms, as well as a vapour recovery unit to facilitate the loading of vessels calling at the berth. Separate marine loading arms will be fitted at the berth for white products, black products and LPG respectively. The berth will also be equipped with the necessary amenities in terms of safety requirements, such as fire fighting, pollution prevention, and emergency shutdown.

FINAL SCOPING REPORT

Need for an EIA and Atmospheric Emissions Licence



In terms of the Environmental Impact Assessment Regulations promulgated under Chapter 5 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA) published in GN R543, 544, 545 and 546 on 18 June 2010 and enforced on 2 August 2010, a full Scoping and EIA process is required for the proposed project. The need for the full Scoping and EIA is triggered by, amongst others, the inclusion of the following activity listed in GN R545 (Listing Notice 2):

1. *“The construction of facilities or infrastructure for the storage, or storage and handling of a dangerous good, where such storage occurs in containers with a combined capacity of more than 500 cubic metres.”*

Furthermore, the proposed project will result in the release of atmospheric emissions through its operations. Based on this, an Atmospheric Emissions Licence (AEL) is required for the proposed project in terms of the National Environment Management: Air Quality Act (Act 39 of 2004) (NEM: AQA). The proposed project is classified as a Category 2: Sub-category 2.2: Storage and Handling of Petroleum Products listed activity in terms of Section 21 of NEM: AQA. An application for an AEL will therefore be submitted to the Licensing Authority, which in this case is the Nelson Mandela Bay Municipality.

Purpose of the Scoping Report

The purpose of the Scoping Phase of the EIA is to identify issues which would require assessment during the EIA process, to inform stakeholders about the proposed development, and to present an opportunity for public participation to occur at an early stage, allowing for a transparent and inclusive process. It is hoped that the outcome of the Scoping Phase would provide sufficient information to enable the authorities to reach a decision regarding the scope of issues to be addressed in the EIA process.

- Within this context, the objectives of this Scoping process are to:
- Identify and inform a broad range of stakeholders about the proposed development;
- Clarify the scope and nature of the proposed activities and the alternatives being considered;
- Conduct an open, participatory and transparent approach and facilitate the inclusion of stakeholder issues in the decision-making process;
- Identify and document the key issues to be addressed in the forthcoming Environmental Impact Reporting Phase of the EIA, through a process of broad-based consultation with stakeholders;

FINAL SCOPING REPORT

- Ensure due consideration of alternative options in regard to the proposed development, including the “No development” option.

The Draft Scoping Report is being made available to all stakeholders for a 40 day review period, with comments to reach Public Process Consultants by 26 March 2012. The Final Scoping Report will include all the comments received.



Identification of Issues

The Draft Scoping Report includes the issues identified to date from the scoping process. The project and associated EIA process was advertised in one provincial and one regional newspaper and letters with personal notification regarding the EIA process were mailed to all pre-identified key stakeholders on the database, which at the time consisted of 111 I&APs. The I&AP register was updated during the scoping phase. At the time of producing this report, the database stands at 134 registered I&APs. A synthesis of these issues is provided in the Issues & Response Trail (Chapter 5), which includes an explanation of how the issues will be addressed through the EIA.

In summary, the following key issues have been identified to date:

Potential Impacts on Vegetation, Fauna and Avifauna:

- Impacts of the pipeline routing on the Open Space Management Plan, fauna and avifauna.

Potential Marine Impacts:

- Impacts of spills on the marine environment and fauna.

Potential Air Quality Impacts:

- Cumulative impacts on air quality considering the proposed development together with other industries in the IDZ.
- Impact of the pipeline construction and venting systems on the air quality in terms of vapour released into the atmosphere.

Potential Accidents and Spill Impacts:

- Impact of accidents and spills in the Coega IDZ, in the Port of Ngqura, and on the major roads into and out of Port Elizabeth.
- Impact of strict procedures and contingency plans to assist during spills.

Potential Traffic and Access Impacts:

- Impact of increased road traffic in the surrounding IDZ and regions.

Potential Socio-Economic Impacts:

- Contribution to boosting economic development in the region.



FINAL SCOPING REPORT

- Contribution to unlocking the re-development of the Port Elizabeth Harbour tank farm site subsequent to decommissioning.
- Contribution to job creation and prevention of job losses as a result of the relocation of the Port Elizabeth Harbour tank farm.

The draft Plan of Study for EIA (Chapter 6) presents the approach to the forthcoming EIA phase. This includes the Terms of Reference for the various specialist studies that are proposed to address the issues raised, where necessary.

