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05 August 2015

Our Ref: J27035
Your Ref: Email received 05 August 2011

The Managing Director
Fountains Estate
Buchner Propvest – Garden Route
PO Box 50
Jeffreys Bay
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Email: dries@fountainsestate.co.za

Dear Mr du Preez

RE: ESKOM EIA CONCERNS FOR THE PROPOSED NUCLEAR POWER STATION AND ASSOCIATED INFRASTRUCTURE (DEA Ref. No: 12/12/20/944)

RE: COMMENTS ON THE REVISED DRAFT ENVIRONMENTAL IMPACT REPORT FOR ESKOM NUCLEAR- 1

(Read with attachments: Kouga Coastal Region: Technical Services Capital Programme; Capital Electricity programme; Capital Community and Social Development)

We have been developers in the Kouga region since the mid-60's with developments including Aston Bay, Marina Martinique and more recently, Fountains Estate. We therefore have a significant vested interest in this part of the world. The parties we represent in the comments below include the following:

- Buchner Property Investments Garden Route (Pty.) Ltd
- Fountains Estate
- Savuti Wildlife Properties (Pty.) Ltd
- Savuti Wildlife Holdings (Pty.) Ltd
- Several Buchner and Paterson Trusts
- Dolphin Bay Trust
- Buchner Property Investments 28 (Pty.) Ltd
- A.G.I. du Preez Family Trust

1. Thyspunt Project in General

We want to make it absolutely clear that we are 100% behind the project for the following reasons:

1.1 Although there are still a few minor issues, we take note of and appreciate the extent of the specialist studies.

1.2 The capital investment into the surrounding areas that go with a project of this nature will be of great help to repair and upgrade our deteriorating infrastructure

1.3 The Kouga is in desperate need of an economic and industrial growth generator which will be provided by this project.

1.4 The availability of ample electricity in the Eastern Cape will give new life to the Coega industrial precinct.

Comment 1:

2. The Environmental Impact and Risk Control

Although we cannot fault any of the specialist studies, we nonetheless request that the utmost importance be attached to keeping the impact on the environment to a minimum.

Furthermore, while we take note of the safety standards of Koeberg, we nonetheless request that the highest possible standards of safety precautions be imposed to ensure a risk free environment for the residents of Kouga

Response 1:

Thank you for your comments. With regards to safety as is the case with Koeberg, Eskom places high importance on the safety of people – members of the public, Eskom employees and contractors. In addition the National Nuclear Regulator will not grant a nuclear installation licence on a reactor that is not safe. Site safety issues are considered in the Emergency Response and Site Control Reports (Appendix E26 and E27 of the Revised Draft EIR). However, the assessment of nuclear safety risks is outside the scope of the EIA process and will be considered in the National Nuclear Regulator’s licensing process. Please refer in this regard to the Co-operative Governance Agreement included in Appendix B4 of the Revised Draft EIR.

Comment 2:

3. The Threat posed by the activists of the Thyspunt Alliance

These people are fanatically set against the Thyspunt development for personal reasons and will try every trick in the book to cast doubt on specialist reports and spread questionable information in order to strike fear into the hearts and minds of the local communities. In this regard we have the following comments:

3.1 Although they are very active on different fronts and sometimes sound like the only voice coming from the Kouga, they represent a small portion of the residents in this area.

3.2 The Business Community is scared to openly support the project because of intimidation by the “Green’s” and fear that their businesses will be boycotted.

3.3 One positive element however, is that they have kept the Arcus Gibb specialists on their toes.

Response 2:

Your comments are noted.

Comment 3:

4. Request for a “Special Condition” to be imposed on ESKOM in the ROD

If we assume a positive ROD on this project, we request that the following special condition be included in this ROD.

“That ESKOM be obliged to allocate an amount equal to 2% of the project value for the investment in Social Upliftment and the Upgrading of Infrastructure in the Kouga Region. This to be done in consultation with the local Municipality and Business leaders in the area –

similar to what has been done at Medupi power station. The attached detailed assessment of projects (marked Annexure A) will form the basis of this consultation.”

4.1 Background to this Request:

Coupled with the impact of the recession, the Kouga Region has recently suffered under one of the worst-performing municipalities in South-Africa (rated as 2nd worst in S.A. for operational and financial management by an April 2011 Business Day survey) resulting in a deteriorating infrastructure, massive capital projects backlogs and a current bankrupt status.

Kouga is therefore badly positioned in this regard and needs massive assistance from Government to be up and running again.

4.2 Motivation for this Request

4.2.1 ESKOM is obviously aware that its personnel and contractors will potentially be moving in to communities where the infrastructure is already not coping with the current demand and must have some idea of the infrastructure upgrade and social support projects which will have to be undertaken in these communities to support the additional demand.

4.2.2 In general, the infrastructure will have to be upgraded for the Kouga region to benefit from the economical growth following the Thyspunt development.

4.2.3 Local sentiment suggest that ESKOM “will have to bring a lot of goodwill into the Kouga Region to show their appreciation for the fact that local residents will soon have to contend with a nuclear power station in their back yard – something which is ultimately for the benefit of the whole country.” It is then argued that ESKOM (and for that matter, Government) should “compensate this region in some meaningful way for bringing the nuclear power station here”

4.3 Compilation of Infrastructure support requirements

Using local government information in the public domain, together with input from the chambers of business and resident associations in the area, we have assembled a fairly comprehensive assessment of the investment which we believe would firstly be necessary to support the ESKOM project in this region and secondly, which could be used effectively for negotiating a truce with those who oppose the power station.

The attached detailed assessment (marked Annexure A) of Capital Projects constitutes the combined input from the Kouga Municipality, St. Francis Bay Residents, the Black Business Forum, Kouga Business Forum. We are requesting that this must form part of the conditions imposed on ESKOM by the ROD.

Response 3:

Your comments are noted. As reported in recent public meetings Eskom is engaging with local municipalities on the upgrading of certain infrastructure, including roads and other facilities. It is acknowledged that there is an infrastructure backlog and that the Kouga Municipality does not have sufficient funds of its own for the necessary upgrades. Thus, the following is recommended in Section 10.3.1 of the revised Draft EIR:

“Eskom must enter into negotiations with local authorities and other relevant authorities well before the start of construction to identify how it can be ensured that municipal services are capable of providing sufficient capacity for the expected influx of people into the affected area. Agreement must be reached between Eskom and these bodies on the apportionment of financial responsibility for infrastructure upgrades.”

Eskom cannot, however, be expected to be solely responsible for infrastructure upgrades, as current infrastructure backlogs are the responsibility of the municipality. It is for this reason that it

has been recommended that agreement must be reached between Eskom and the other role players regarding apportionment of responsibility.

Thus, with regards to your suggestion of a contribution of 2% of the project value, no fixed percentage can be calculated at this stage. However, the example of Eskom's contribution to infrastructure development for the Mepudi Power Station is appropriate and is recommended as a model for Nuclear-1.

Comment 4:

5. Conclusion

You might think that this is a strange request, however, the reality is that Kouga finds itself in a desperate situation which requires extraordinary action. By imposing this condition on ESKOM and by implication, Government, this will ensure that all the residents of the affected communities will derive benefit from the project.

In the bigger scheme of things, by investing 2% of the contract value for this purpose is absolutely minimal for Government, compared to what the country will gain from being able to commence with this project on schedule.

We trust that you will give favourable consideration to this request and we are more than willing to be involved in future discussions and negotiations.

Please feel free to contact us at any time in this regard.

Response 4:

Your comments are noted.

Should you have any queries with respect to the above please do not hesitate to contact Arcus GIBB.

Yours faithfully
for GIBB (Pty) Ltd



Nuclear-1 EIA Team

ASSESSMENT OF THE INVESTMENT NEEDED IN SOCIAL UPLIFTMENT AND INFRASTRUCTURE INITIATIVES IN THE KOUGA REGION



**COMPILED BY A DELEGATION OF LOCAL BUSINESS
LEADERS
JULY 2011**

Annexure A

**SUMMARY OF THE PROPOSED INVESTMENT BY ESKOM IN THE SOCIAL
UPLIFTMENT AND INFRASTRUCTURE OF THE KOUGA REGION**

- | | |
|--|----------------|
| 1. Roads directly related to the power station | R 500,00 mil |
| 2. Supporting infrastructure (Roads, Water, Sewage, etc) | R 1 509,00 mil |

3. Supporting Electrical Infrastructure R 420,00 mil

4. Community and Social Upliftment R 536,00 mil

TOTAL R 2 965,00 mil

NOTES

1. The investment summary includes high-profile projects aimed specifically at segments of the community who oppose the power station, including:
 - Solving the sewage problem that cost Jeffreys Bay's main beach its Blue Flag status
 - Providing a coastal link road to give St Francis Bay's and Oyster Bay's residents easy access to the infrastructure and amenities of Jeffreys Bay
 - To restore the deteriorating roads infrastructure of St Francis Bay's
 - Assisting St Francis Bay to find a solution for their main beach erosion problem
2. A significant proportion of the total investment has been allocated for social upliftment of previously disadvantaged communities
3. It is anticipated that many of the projects that have been identified by us will already be part of Eskom's planned investment into this region