

	Eskom Air Quality Offset Implementation Plan for Gert Sibande District Municipality	Risk & Sustainability Division: Environmental Management
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Title: **Air Quality Offsets Implementation Plan for Gert Sibande District Municipality: Tutuka, Majuba, Camden and Grootvlei Power Stations: March 2021 update**

Document number: **ENV21-R052**

Total Pages: **71**

Disclosure Classification: **CONTROLLED
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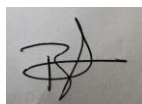


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EXECUTIVE SUMMARY

Eskom is pursuing a multi-pronged approach to improving ambient air quality, including reducing emissions at the existing coal-fired fleet, investing in power generation from renewables and nuclear, and implementing air quality offsets. Retrofitting abatement technology and diversifying the energy fleet is extremely costly (hundreds of billions of rands) and takes a long time to implement. Air quality offsets address emission sources directly within vulnerable communities, targeting greater improvement in community experienced air quality than is achievable from other approaches. In addition, such offsets are more cost-effective and result in meaningful improvement of air quality within a shorter time frame.

This Air Quality Implementation Plan for the Gert Sibande District Municipality covers the period from March 2020 to March 2025, and aims to improve ambient air quality in several communities around Eskom's coal-fired power stations in the district: Tutuka, Majuba, Grootvlei and Camden Power Stations.

This high-level plan has been compiled in order to:

- obtain approval from the authorities on the proposed offsets methodology, the types of offsets to be implemented, and the areas for implementation
- form the basis of Eskom's request for offset funding for implementation of offset projects.
- fulfils the requirement in the power stations' Atmospheric Emission Licences to submit an annual update of the offsets implementation plan

This plan has been developed based on rigorous scientific methods and testing, and in consultation with key stakeholders. Consultation conducted for the development of this high-level plan is merely the start of the public participation process that will be undertaken for the air quality offsets programme. In-depth community consultation will be undertaken once this high-level plan has been approved and prior to the implementation of the interventions. This community consultation will inform the offsets project design for each area and ensure support for and correct implementation of the offsets in each community.

This Air Quality Offsets Implementation Plan is an update of the plan submitted during October 2020, and it will be updated further at regular intervals as experience is gained and more detailed information becomes available. Main updates from the October 2020 version of the plan include the following:

- Phase 1, the lead implementation in Ezamokuhle, was planned to start in October 2020, but has been delayed due to the impact of COVID-19 pandemic and delays concluding contracts for the procurement of the required services. The implementation is now planned to commence during May 2021.
- Due to present capacity constraints and in order to allow the opportunity for other stations to undertake maintenance, it has recently been decided to extend the operations of Grootvlei and Camden by some 5 years with station shut down occurring by 2030, investigations in respect of this are underway. Eskom had intended to shut down these stations earlier, and as such the delivery of offset solutions around Grootvlei was excluded from the 2020 plan update. Given this change in approach and noting the comments received by the Gert Sibande licensing authority (refer to section 12), the delivery of offset solution around Grootvlei have been included in this plan.

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- A contract has been put in place with the Medical Research Council (MRC) to determine the health impacts of the air quality offsets in KwaZamokuhle and Emzimnoni, respectively. The majority of phase 1 of the health study has been completed, and the interim report has been submitted to Eskom. Phase 2 of the health study has been negatively impacted as a result of confounding factors resulting from the COVID-19 pandemic and the National lockdown situation. This relates mainly to the health data. After deliberation between Eskom and the MRC, a decision was taken to stop the project. Processes are underway to wrap up the outstanding matters, including providing feedback to all involved and to terminate the contract.
- Eskom has installed and maintained long term monitoring sites in KwaZamokuhle, Ezamokuhle, Phola, Thubelihle, Silobela, Emzimnoni, Masakhane, Silobela and Sivukile to establish ambient air quality baseline as part of phase 1 and 2 implementation. There have been security breaches at some of the monitoring stations, related mainly to break-ins/burglary and cable theft. These have compromised the availability and quality of ambient air quality data from the affected sites. A security assessment has been completed. Mitigation plans have been develop and are being implemented to address the risks and improve data recovery.
- Phase 2 implementation has been delayed due to delays in finalising the execution of the delivery model and in securing the required budget. Phase 2 was initially planned to commence July 2021, but is tentatively planned to commence in September 2021. Time frames will be better clarified based on internal discussions on the delivery approaches, which is currently underway.

The Air Quality Offset Implementation Plan for the Gert Sibande District Municipality proposes the following:

1. A phased approach

Air quality offsets is a nascent field, and interventions of the type and scale contemplated in this document have not been implemented before. Accordingly, a phased approach is adopted to increase the probability of success and to ensure that learnings from early phases are incorporated into an accelerated large scale roll-out:

Phase 0: Pilot project. From 2014 to 2018, Eskom developed and piloted potential offset interventions in KwaZamokuhle. These included intervention related to fuel switching (coal to LPG and/or electricity) and testing insulations (ceiling and/or wall insulation). The pilots provided valuable information for planning the large scale Eskom offset programme.

Phase 1: Lead implementation (one Eskom-impacted community per district municipality). The lead implementation is designed to benefit the specific local community, minimize implementation risk, increase practical and scientific knowledge, and develop and refine monitoring, reporting and verification processes.

Phase 2: Full implementation (balance of qualifying households). Once the intervention has been refined, and the learnings of the lead implementation incorporated, the intervention will be rolled out simultaneously at several communities across the Gert Sibande District Municipality

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A typical offset implementation in a community will have three **stages**:

- i) *Baseline establishment*: The baseline will provide a basis for comparison to determine the improvement in air quality due to the offset, and information gathered from the community will inform the project design for the offset roll-out.
- ii) *Implementation*: The speed of implementation depends on the number of work teams set up in the community. Teams need to be mainly recruited from the local community as far as possible.
- iii) *Maintenance, monitoring and verification*: Once the implementation is underway and after it has been completed, a structure will be set up to ensure that the installations can be maintained by the households. The effectiveness of the intervention will also be monitored.

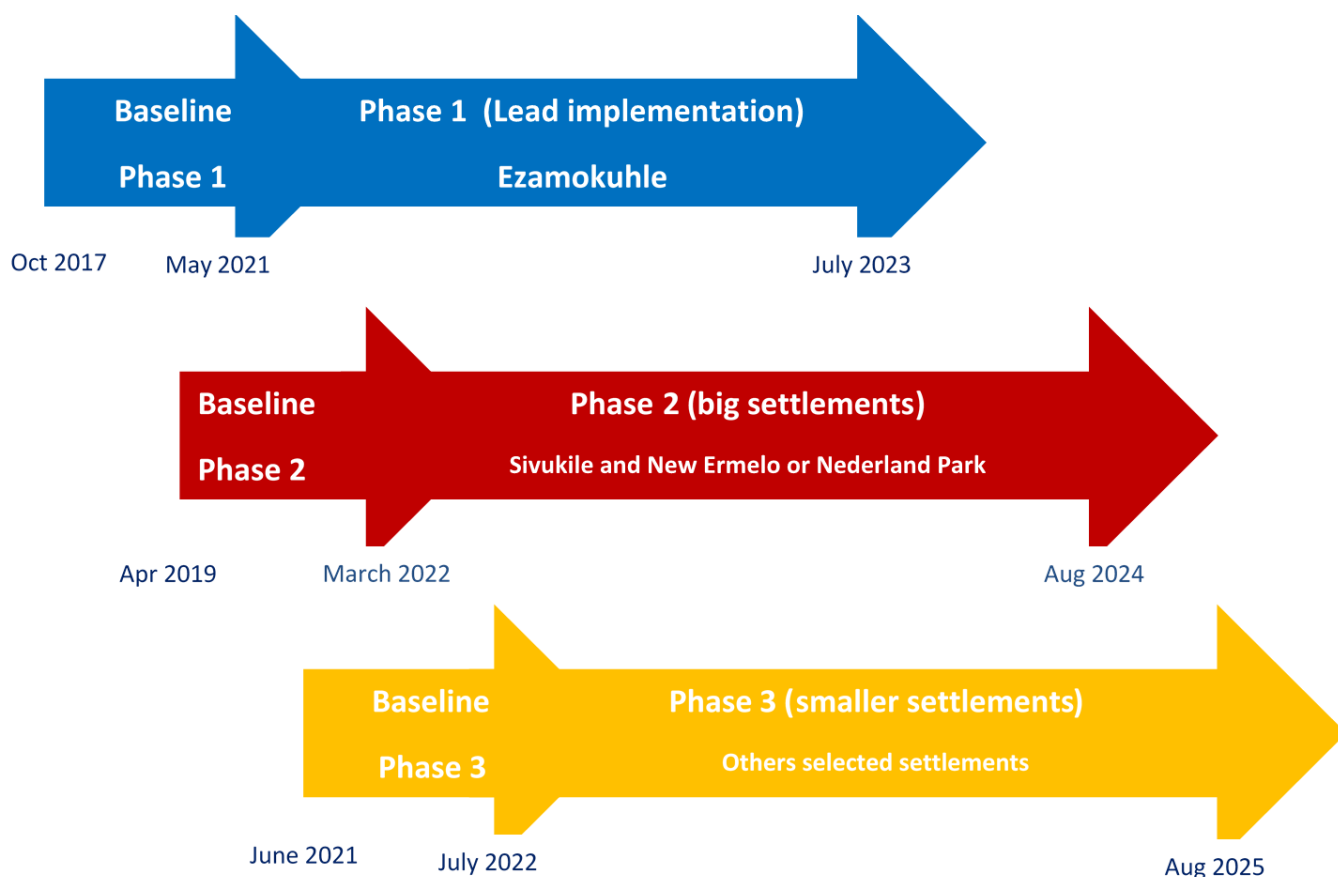


Figure 1: Concept schedule for the implementation of air quality offsets in the Gert Sibande District Municipality

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2. Selection of offset interventions

The main thrust of Eskom's offsets programme in the Gert Sibande District Municipality will be reducing emissions from domestic solid fuel burning, based on scientific evidence that shows that of all sources of air pollution in South Africa, domestic burning has by far the greatest impact on human health (FRIDGE, 2004; MRC, 2008; Lim et al., 2012). Nevertheless, other sources of pollution may also need to be addressed.

This Air Quality Offsets Implementation Plan is based on a **Programme of Activities**, comprising of:

- i) *Household interventions*: Emissions from the domestic burning of coal/wood will be reduced through one or more of the following:
 - Assisting households to move to a cleaner source of energy (electricity & LPG).
 - Providing households with cleaner-burning heating and/or cooking devices (such as a hybrid stove and LPG heater)
 - Reducing the need for heating by better insulating houses, where possible (installation of ceiling and draft proofing)
 - Providing Compact Fluorescent Lamp (CFL) for energy-efficient lighting.
- i) *Community emission interventions*: Significant local non-household sources of emissions that affect the air quality in the area, for example, waste burning or smouldering landfills, will be identified in the baseline phase of the roll-out through engagements with the community. Eskom will engage with the Local and District Municipality to explore ways to address these sources. This issue has not been identified as a focus at this stage.
- ii) *Education and awareness*: Continual interaction with the community will ensure that the intervention is used and maintained properly, and encourage behavioural change to reduce exposure and smoke generation.
- iii) *Projects in development*: Since this Air Quality Offsets Implementation Plan spans 9 years, the interventions cannot remain static but need to change as new technologies become available and as circumstances of communities change.

3. Selection of areas for offsets

Offsets need to be implemented in at least one settlement of reasonable size for each power station. Areas are selected based on the following criteria:

- i) Areas are prioritised based on the impact of emissions from the power station (in order to achieve the objective of 'counterbalancing the adverse and residual environmental impact of atmospheric emissions').
- ii) Only areas where there is (probably) non-compliance with ambient air quality standards are considered.

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- iii) Only areas where opportunities for improving ambient air quality through offsetting exist are considered (i.e. areas where there are local sources of emissions which significantly impact ambient air quality and can be addressed through offsets).

Eskom proposes to implement offsets at the following settlements (refer to Table 1):

Table 1: Areas selected for the implementation of air quality offsets in the Gert Sibande District Municipality

Power station	Areas for offsets	Type of offset
Majuba	Ezamokuhle Daggakraal and Sinqobile Neighbouring farms	Household (Phase 1) Household (Phase 3) Household (Phase 3)
Tutuka	Sivukile Neighbouring farms	Household (Phase 2) Household (Phase 3)
*Grootvlei	Grootvlei Power Station Village Grootvlei (south-east of power station) Neighbouring farms Nthorwane	Waste dump rehabilitation Household Household Household
Camden	Sheepmoor New Ermelo or Nederland Park	Household (Phase 3) Household (Phase 2)

Due to present capacity constraints and in order to allow the opportunity for other stations to undertake maintenance, it has recently been decided to extend the operations of Grootvlei and Camden by some 5 years with station shut down occurring by 2030, investigations in respect of this are underway. Eskom had intended to shut down these stations earlier, and as such the delivery of offset solutions around Grootvlei was excluded from the 2020 plan update. Given this change in approach and noting the comments received by the Gert Sibande licensing authority (refer to section 12), the delivery of offset solution around Grootvlei have been included in this plan.

The estimated number of household that will receive intervention in Gert Sibande DM is 9 545

Ezamokuhle has been proposed for the lead implementation (phase 1) in the Gert Sibande District Municipality due to its appropriate size (not too big that the full roll-out will take too long, but big enough to allow testing of key aspects of the roll-out at scale), the prevalence of domestic coal burning, and the relatively high density of the households (which suggests that ambient air quality will be greatly affected by the household burning emissions). The household offset will comprise improved housing insulation (ceiling), and swapping of existing coal stoves for gas-electric stoves and gas heaters.

A critical aspect of the offset intervention is that they must address ambient air quality non-compliance. Several of the settlements identified based on station impact, especially in Phase 3 are semi-rural to rural in nature. Indications are that these areas do not experience ambient air quality exceedances and

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will not qualify for delivery of an offset programme. Further assessment of this issue is planned, and engagement with the authorities will be undertaken as required.

The implementation timeline is dependent on procurement approvals and on funding being allocated by Eskom. , The budget for phase 1, was approved on 06 February 2020. Funding for phase 2 and 3 has not been secured. The authorities will be notified of any significant changes in the plan necessitated by funding reviews.

This Air Quality Offsets Implementation Plan for the Gert Sibande District Municipality is updated annually as experience is gained and more information becomes available. In addition, Eskom's implementation of air quality offsets in Gert Sibande is documented in an annual progress report. An updated annual progress report will be submitted to DEFF by 31 March 2021.

The offset plan described in this document illustrates that improvement of community environmental parameters are achievable within the context of limited national resources and competing national imperatives.

The air quality offset implementation plan submitted in April 2016 was approved by the National Air Quality Officer, after consultation with the Atmospheric Emission Licencing Authority, in a letter to Eskom dated 16 September 2016. Unless informed otherwise by DEFF, we will consider that this approval extends to this revised version of the implementation plan, as the changes to the original plan (2016) are not substantial, and the additional conditions of the approval will still be complied with.

This updated March 2021 AQO implementation plan responds to queries raised by the licensing authority (Mr TD Hlanyane) in the letter dated 22 October 2020 with reference to the Updated AQO plan submitted in August 2020. Please refer to section 12 of this document for responses to specific issues raised in the letter.

4. Measures to address COVID-19 related challenges

This project plan has been revised in the midst of a National lockdown. The extent, duration and impact of the COVID-19 and the lockdown is uncertain at this stage. Table 2 highlight measures that have been put in place in an attempt to mitigate COVID-19 related challenges during the implementation of Air Quality Offsets in the Gert Sibande District:

Table 2: COVID-19 related challenges and mitigation measures

COVID-19 / lockdown Challenges	Mitigation measures
Travel restriction by Eskom employees and contractors	Permit to perform work including inter-provincial travel will be issued by Eskom
Reduced participation due to fear of infection	Pre-implementation awareness will be undertaken to raise awareness of offset interventions and health protocol to be put in place to limit the risk of infection
Risk of infection (employee and	The required health and safety protocols will be put in place

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households)	
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ABBREVIATIONS

Abbreviation	Description
AEL	Atmospheric Emission Licence
AQA	National Environmental Management: Air Quality Act (Act No 39 of 2004)
CFL	Compact Fluorescent Lamp
CoC	Certificate of Compliance (for electrical wiring)
CPA-DD	Component project activity design document
DEFF	Department of Environmental Forestry and Fisheries
DoE	Department of Energy
DM	District Municipality
ESP	Electrostatic precipitator
FFP	Fabric filter plant
GSDM	Gert Sibande District Municipality
JET	Just Energy Transition
LPG	Liquid petroleum gas
LSRG	Local Stakeholder Reference Group
MYPD	Multi-Year Price Determination (for Eskom's electricity tariff)
NERSA	National Electricity Regulator of South Africa
NO _x	Oxides of nitrogen
PDD	Project design document
PM	Particulate matter
PoA	Programme of activities
PoA-DD	Programme of activities design document
RDP	Reconstruction and Development Programme
SPF	Spray Polyurethane Foam
SO ₂	Sulphur dioxide

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1. INTRODUCTION

Eskom is pursuing a multi-pronged approach to improving ambient air quality, including investing in power generation from renewables and nuclear, reducing emissions at the existing coal-fired fleet (Figure 2), and air quality offsets. Air quality offsets are designed to reduce human exposure to harmful levels of air pollution by reducing emissions from local sources, like domestic coal burning and waste burning. Examples of air quality offsets are switching households from coal to cleaner energy sources and improving waste collection and recycling. Air quality offsets can counterbalance the effect of emissions from power stations on the air quality in the vicinity of power stations. This document deals with the offset initiative, while the emission reduction plans are embedded in Eskom's capital expenditure budgets.

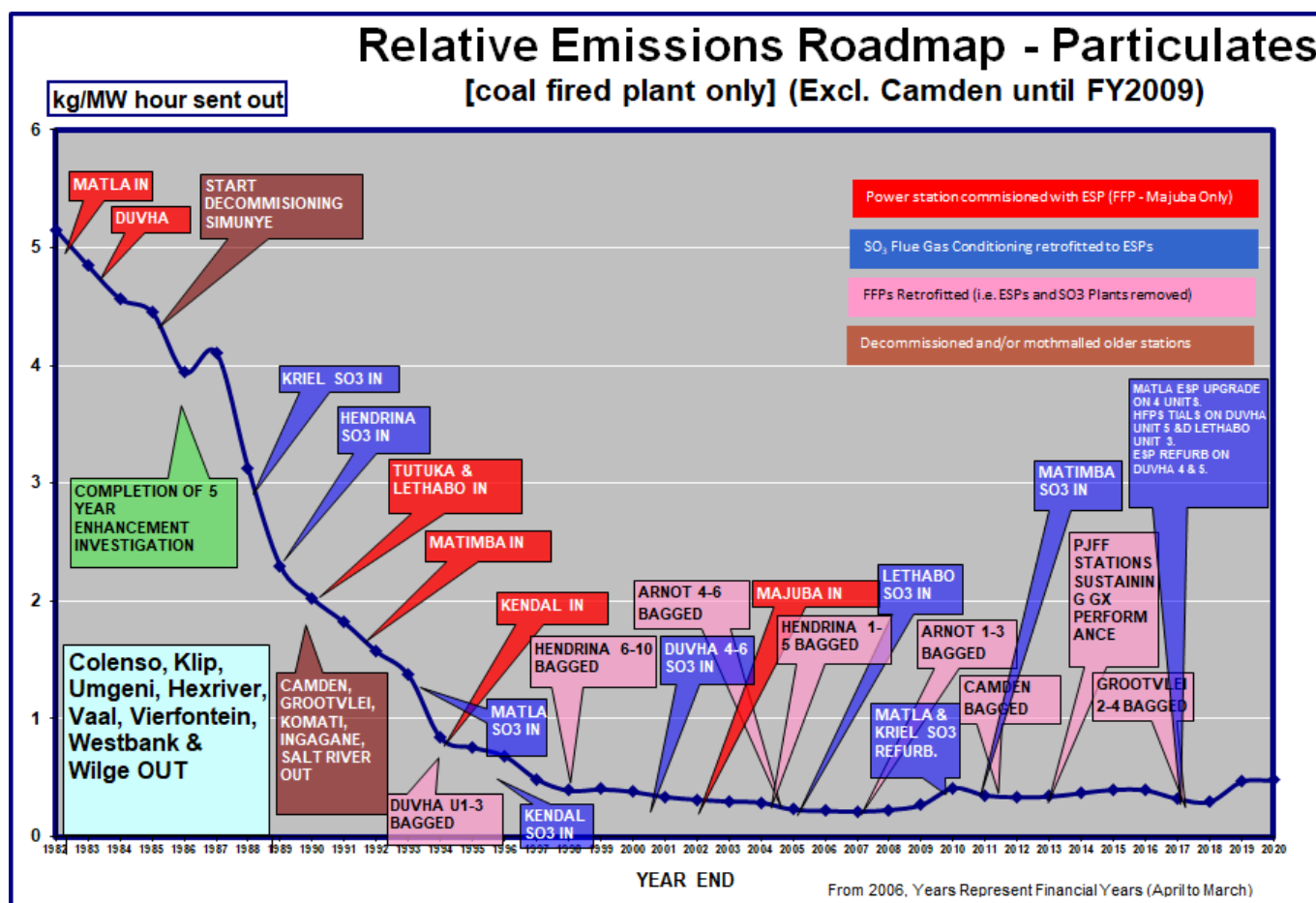


Figure 2: Change in relative emissions of particulates (ash) from Eskom's power stations from the early 1980s to the present.

Eskom wishes to implement air quality offsets in order to:

- Improve the air quality of communities affected by emissions from power stations

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- Comply with the requirements of the Atmospheric Emission Licences of each power station
- Achieve a solution to air quality issues that is beneficial to affected communities and the South African economy while also meeting the requirement of the relevant authorities

This Air Quality Offsets Implementation Plan is for Eskom's four power stations in the Gert Sibande District Municipality: Tutuka, Majuba and Camden and Grootvlei Power Stations (Figure 3). It covers the period from October 2020 to March 2025. This document has been developed for submission to the National Air Quality Officer and the Licencing Authority (the Gert Sibande District Municipality). Eskom has developed a detail project execution plan for the lead implementation in Ezamokuhle and is busy with procurements of packages required to roll out the project. Rollout of intervention is planned to commence in May 2021 with the registration of qualifying households.

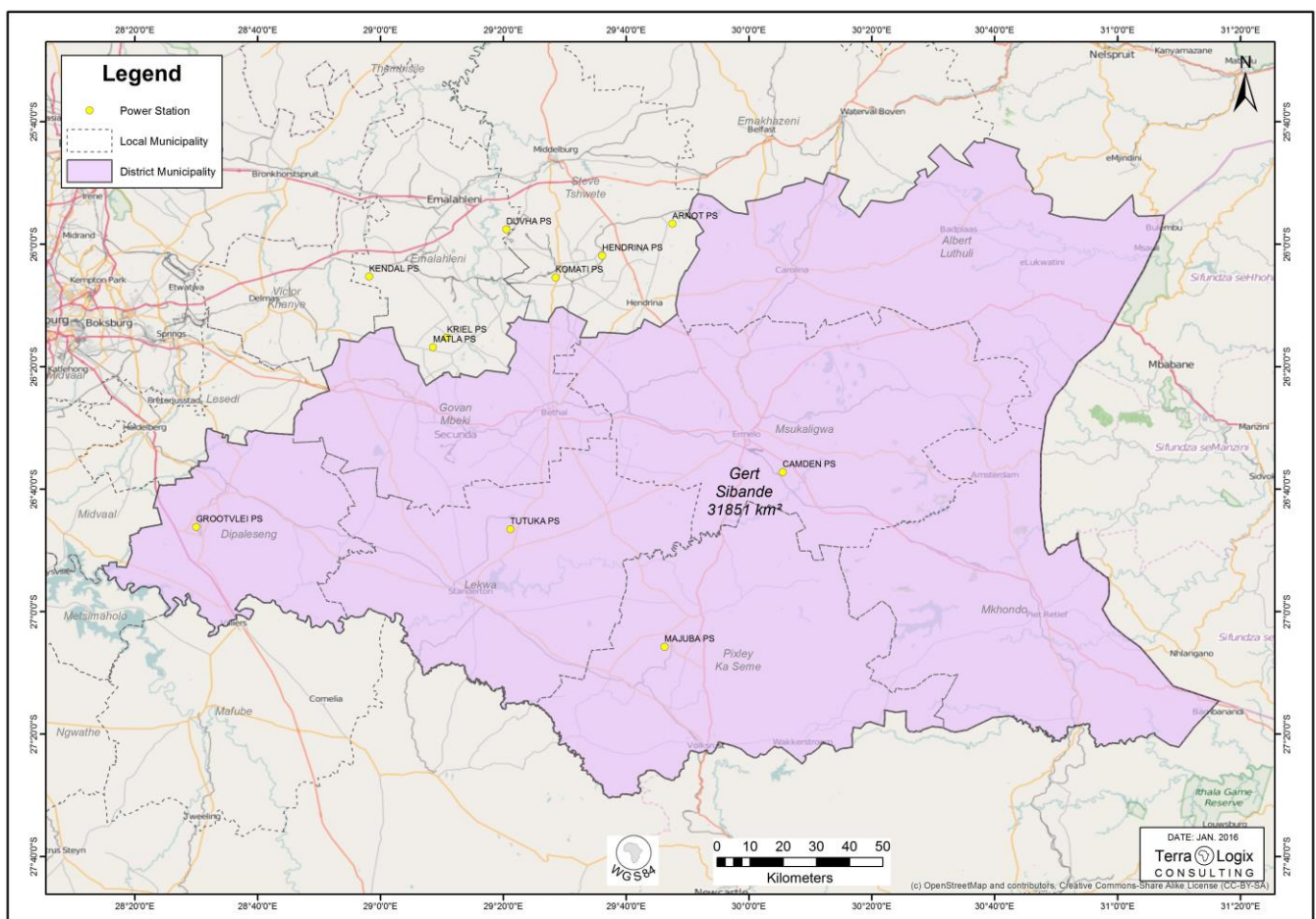


Figure 3: Power stations in the Gert Sibande District Municipality

This is a high-level plan based on the information available at the time of compilation. It is an update of the updated plan published in March 2020 (the plan was first published in April 2016). The plan details, to the extent possible, the proposed offset interventions per selected settlement associated with each of the power station in the Gert Sibanda District Municipality. It details the approach to be followed in

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selecting settlements; selecting, designing and implementing interventions; and assessing the effectiveness of the interventions. Detailed plans per community can only be developed based on extensive consultation with each community and baseline monitoring conducted in each community. This implementation plan lays out the principles used to compile the offset plans, the areas where offsets are to be implemented, and the timeline for implementation, which form the basis of the extensive community consultation and monitoring. This plan will be updated and refined annually as more information becomes available.

The implementation timeline is dependent on procurement approvals and on funding being allocated by Eskom. The timelines also depend on the successful implementation of mitigation measures put in place to address the COVID-19 related challenges. The budget for phase 1 was approved on 06 February 2020. Funding for phase 2 and 3 has not been secured. The authorities will be notified of any significant changes in the plan necessitated by funding reviews or other factors.

2. APPLICABLE LEGISLATION AND REGULATORY REQUIREMENTS

2.1 ATMOSPHERIC EMISSION LICENCE

Section 4.4 (g) of Majuba, Tutuka, Camden and Grootvlei's Atmospheric Emission Licenses (AELs) requires that each "facility must implement offset programs as approved and submit to the Licensing Authority annually the impact report demonstrating reduction of PM and SO₂ pollution in the ambient air/receiving environment as of the financial end 2019/2020.

2.2 DECISION ON POSTPONEMENT OF COMPLIANCE TIMEFRAMES WITH MINIMUM EMISSION STANDARDS

The AEL requirement is similar to a condition in the National Air Quality Officer's decision (February 2015) on Majuba, Tutuka, Camden and Grootvlei's application for postponement of the compliance timeframes with the National Environmental Management: Air Quality Act (Act No 39 of 2004) section 21 Minimum Emission Standards, which states that each power station is *'to implement an offset programme to reduce PM in the ambient/receiving environment. A definite offset implementation plan is expected from Eskom by 31 March 2016*

The air quality offset implementation plan submitted in April 2016 was approved by the National Air Quality Officer, after consultation with the Atmospheric Emission Licensing Authority, in a letter to Eskom dated 16 September 2016. Unless informed otherwise by DEFF, we will consider that this approval extends to this revised version of the implementation plan, as the changes to the original plan (2016) are not substantial, and the additional conditions of the approval will still be complied with.

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2.3 AIR QUALITY OFFSETS GUIDELINE

This Air Quality Offsets Implementation Plan has been drafted according to the Air Quality Offsets Guideline (Notice 333 of 2016) published on 18 March 2016.

Eskom adopts the definition of air quality offsets given in this document as *‘an intervention, or interventions, specifically implemented to counterbalance the adverse and residual environmental impact of atmospheric emissions in order to deliver a net ambient air quality benefit within, but not limited to, the affected air shed where ambient air quality standards are being or have the potential to be exceeded and whereby opportunities and need for offsetting exist.’*

The Air Quality Offsets Guideline lays out the legislative context for air quality offsets and states that *‘offsets can provide an option for achieving improvements in ambient air quality, thereby improving human health while promoting justifiable economic development.’*

The Air Quality Offsets Guideline (Notice 333 of 2016) lists the following air quality offsetting principles:

- a) Outcome-based: The primary aim of air quality offsets is *‘improvements in ambient air quality within the air shed.’*
- b) No “like for like”: Offsets should *‘address pollutant(s) whose ambient concentration is/are of concern in a particular area, and not necessarily the pollutant(s) whose emission from a specific facility is/are of concern.’*
- c) Transparency and acceptability: *‘Air Quality offsets should be based on open, fair and accountable administrations by both the applicants and the authorities. A public consultation process should be undertaken to ensure public buy-in of offsets’.*
- d) Complementarity: *‘The facility must make all reasonable efforts to avoid and reduce/mitigate emissions before offsets can be considered.’*
- e) Sustainability: *‘Offset projects should be based on long-term air quality improvement without impeding on other socio-economic and environmental objectives.’*
- f) Measurable and scientifically robust: *‘Any approved offset must have measurable air quality outcomes. In order to quantify emission reduction of an offset, [a] realistic baseline representing forecasted emission levels in the absence and presence of the offset project should be established.’*

3. ESKOM’S AIR QUALITY OFFSETTING PRINCIPLES

Eskom has strived to align its understanding of air quality offsetting with others as far as possible by basing this plan on the Air Quality Offset Guideline (published on 18 March 2016), and through consultation with key stakeholders in the development of this plan.

The following principles underpin Eskom’s offsetting philosophy:

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- i) Do no harm:
- All households and communities should be better off after an offsets roll-out.
 - Offset interventions must have a *positive impact on both the livelihoods and the quality of life* of the community where they are implemented.
 - Households should not be required to pay more for fuel after the offsets implementation than before.
- ii) Complementary measure to power station abatement efforts:
- Air quality offsets are to be implemented *in conjunction with emission reductions at power stations* through upgrades and emission abatement retrofits. Eskom has updated its Emission Reduction Plan as part of its 2020 MES postponement application. Key elements of the plan include¹:
 - Eskom proposes to continue adopting a phased and prioritised approach to achieve compliance in terms of the MES. Reduction of Particulate Matter (PM) emissions has been prioritised, as PM is considered to be the ambient pollutant of greatest concern in South Africa.
 - Eskom proposes to reduce NO_x emissions at the three highest emitting stations. Kusile Power Station will be commissioned with abatement technology to achieve the new plant standards for PM, NO_x and SO₂.
 - Medupi is commissioned with abatement technology which can meet PM and NO_x new plant standards and will be retrofitted with flue-gas desulphurisation (FGD) so that the new plant SO₂ limit will also be achieved over time.
- There are six power stations which will be decommissioned before 2030 (totalling in excess of 10 000MW), and an additional two by 2035 (totalling in excess of 7 000MW) and the remaining existing plants by 2044 (excluding Majuba, Medupi and Kusile). Specifically, Eskom's current plans include reducing PM emissions from Tutuka,
- iii) Cost-effective:
- Offsetting is a *cost-effective* way of improving poor air quality and reducing exposure to harmful levels of pollution, at least cost to the South African economy. If an emission reduction retrofit can achieve a greater improvement in the air quality at less cost than an offset, then the retrofit will be conducted rather than the offset.
- iv) Focus on communities and reducing human exposure:
- The main objective of air quality offsetting is to *improve ambient air quality*. Only projects which have the potential to improve ambient air quality will be included in the offsets programme.
 - Offsets specifically target ambient air quality as experienced by impacted *communities* (thus, not all air is of equal importance)
-

v) A transitional solution:

- Offsetting is seen as an *interim measure* to address poor air quality, while the South African electricity generation mix transitions to cleaner technologies, and while communities move up the energy ladder and have access to improved services. Nevertheless, offsets which are implemented need to be sustainable.
- Offset interventions that decrease structural (long term) energy requirements are preferred over interventions that merely move pollution to other areas or temporarily avoid pollution.
- Eskom is actively engaged in planning for a Just Energy Transition (JET), and linkages between the Eskom JET and offset programme will be made where appropriate.

vi) Transparent and acceptable:

- Participation in the offsets interventions is *voluntary*. People will not be coerced to participate in the project.

4. PROCESS FOLLOWED TO DEVELOP THE AIR QUALITY OFFSETS IMPLEMENTATION PLAN

This Air Quality Offsets Implementation Plan has been based on a scientific process of feasibility studies, testing and demonstration, and consultation with key stakeholders. It is also influenced by the role that Eskom is required to play in the South African economy. Cognisance was taken of the synthesis in *Air Pollution in Dense, Low-income Settlements in South Africa* (Pauw et al., 2008).

4.1 SCIENTIFIC DEVELOPMENT PROCESS

Between 2011 and 2013, Eskom conducted a *desktop pre-feasibility study* to identify the most feasible household emission offsets. Based on studies like those conducted by Scorgie et al. (2004a), Friedl et al. (2008) and Norman et al. (2007a and 2007b), which show that the domestic burning of fuels like coal and wood have the greatest negative impact on human health of all sources of air pollution in South Africa, the focus of this study was on reducing household emissions. An exhaustive list of interventions was evaluated against a number of weighted criteria, the most important of which was community acceptance. The weighted criteria and the results of this study are summarised in Appendix B.

In 2015, the most feasible options identified in the pre-feasibility study were tested in a *pilot project* on 120 formal houses in KwaZamokuhle (a community 17 km from Hendrina Power Station and 3 km from Hendrina town in Mpumalanga). Each participating household was given either a ceiling or a full insulation retrofit (ceiling and insulation on three exterior walls), AND either a low emission coal-burning stove, or a liquid petroleum gas (LPG) stove and heater, or an electricity subsidy. Forty-eight (48) members of the local community were employed to conduct the surveys and installations.

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In 2017, an additional pilot study on 30 formal houses in KwaZamokuhle was conducted to test the feasibility of switching households from coal to electricity. Each of the 30 participating households was given a full insulation retrofit (insulation on three exterior walls) and an electrical heater.

The following findings from the two pilot studies informed this Implementation Plan:

- Domestic coal burning in KwaZamokuhle does emit a large proportion of the ambient particulate matter and presents the greatest opportunity for improving local air quality and improving health
- Residents were very willing to participate in the project (>80%) and preferred the new stoves/heaters that they were given during the offsets roll-out to their old ones
- The electricity subsidy without a stove swop did not eliminate coal burning, but an LPG stove and heater swapped for the coal stove did
- A stove swop and housing insulation (to raise the indoor temperature, especially on winter nights) are needed to eliminate domestic coal-burning
- It is feasible to switch households from coal to electricity. However, there were several risks that were raised, which would limit the success of the strategy in the event that the intervention was solely limited to electricity starter packs only. To address the abovementioned risks with the electricity-based solution, it is recommended that the electricity solution include LPG as a backup

Based on the findings of the pilot studies, the following interventions are proposed for each participating household;

- Provision of basic plus retrofit, which consists mainly of:
 - A Spray Polyurethane Foam (SPF) ceiling system;
 - Draft proofing, and
 - Rewiring and issuance of electrical Certificate of Competence
- Stove swap, which entails:
 - Provision of electricity based energy source with LPG backup. This will include a hybrid gas-electric stove, LPG heater plus 2x9 kg LPG cylinders and CFL lighting, and
 - The removal and disposal of coal stoves.

More information on Eskom's air quality offsets pilot project is in Appendix C.

4.2 STAKEHOLDER CONSULTATION

In parallel, in the latter half of 2015, input was obtained from key stakeholders, particularly from the government, into the implementation of air quality offsets.

Public input into the original version of this Implementation Plan was solicited during a 30-day public comment period from 22 February to 23 March 2016. An independent consultant, EkoInfo CC, was employed to facilitate an objective public participation process. The public participation process and the outcome are detailed in EkoInfo's *Public Participation Report*.

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Information about the Air Quality Implementation Plan for the Gert Sibande District Municipality was distributed through the following means:

- i) An email was sent to Interested and Affected Parties
- ii) Newspaper notices were published in a number of local and national newspapers
- iii) A draft of this Implementation Plan was made available for downloading on EkolInfo's website
- iv) Copies of the Draft Implementation Plan were made available for viewing at several public libraries
- v) Notices were posted at the power stations
- vi) A public meeting was held to present and discuss the implementation plan in Ermelo on 15 March 2016

The issues raised formally during the public participation process and Eskom's responses to these comments are summarised in the Comments and Responses Report.

The stakeholder consultation thus far has focussed on the offset strategy and high-level plan. Prior to the implementation of offsets in each community, in-depth engagements will be held to provide local perspective, understand the baseline and inform the project design.

Since the development of the original plan, there have been limited stakeholder engagements in Ezamokuhle, but some issues have been raised. Eskom aims to address these with the rollout of the phase 1 from May 2021.

5. METHODOLOGY

5.1 OFFSETS IMPLEMENTATION STRATEGY IN THE GERT SIBANDE DISTRICT MUNICIPALITY: A PHASED APPROACH

The need for rapid implementation of offsets needs to be balanced with the need to reduce the risk of undertaking initiatives that have not been previously undertaken in South Africa. Given the state of air quality on the Highveld, initiatives which promise to improve air quality and reduce exposure to harmful levels of air pollution need to be rolled out as quickly as possible. On the other hand, rolling out an untested intervention on a large scale (tens of thousands of households) may lead to failed interventions, and the negative sentiment may then lead to offsets being abandoned completely and forfeiting the potentially massive benefits that air quality offsets may have if successful.

Eskom has been proactive in exploring and supporting the science relating to atmospheric emissions and dispersion, offset selection, and the practicalities of implementing interventions in households, as well as creating procedures and methods for offset accounting, thereby increasing the available knowledge and the probability of success of air quality offsets. However, Eskom is required to plan and implement air quality offset interventions despite medium-term uncertainty and constraints, particularly:

- Lack of quantified scientific understanding of how an offset will affect ambient air quality (in the context of many other factors that affect air quality, like meteorology and change in source strengths over time)

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- Offset measurement methodology is in an early stage of development and has not been agreed upon
- Understanding practical aspects of specific interventions and community dynamics requires further development
- Financial constraints on Eskom specifically and South Africa generally
- The regulatory framework relating to offsets is still developing

It is proposed that the risks of rolling out untested interventions be reduced by following a phased approach to air quality offset implementation:

Phase 0: Pilot project. From 2014 to March 2018, Eskom developed and piloted potential offset interventions in KwaZamokuhle. The pilot studies provided valuable information for planning the large scale Eskom offset programme.

Phase 1: Lead implementation (one Eskom-impacted community per district municipality). The selected intervention is implemented at all willing, solid fuel-using households in a community. The lead implementation is designed to benefit the specific local communities, minimize implementation risk, increase practical and scientific knowledge, and develop and refine monitoring, reporting and verifications processes. A small-scale demonstration will be conducted for each housing type (formal/informal/mixed formal and informal) in KwaZamokuhle to test proof of concept before rolling out to the entire community. The learnings from these demonstrations will be applied in the design for Ezamokuhle. For more information on the lead implementation, see section 0.

Phase 2: Full implementation (balance of qualifying households in bigger settlements). Once the intervention has been refined, and the learnings of the lead implementation incorporated, the intervention will be rolled out simultaneously at several communities across the Gert Sibande District Municipality

Phase 3: Full implementation (balance of qualifying households in smaller settlements). Once the intervention has been refined, and the learnings of the lead implementation incorporated, the intervention will be rolled out simultaneously at several small communities across the Gert Sibande District Municipality.

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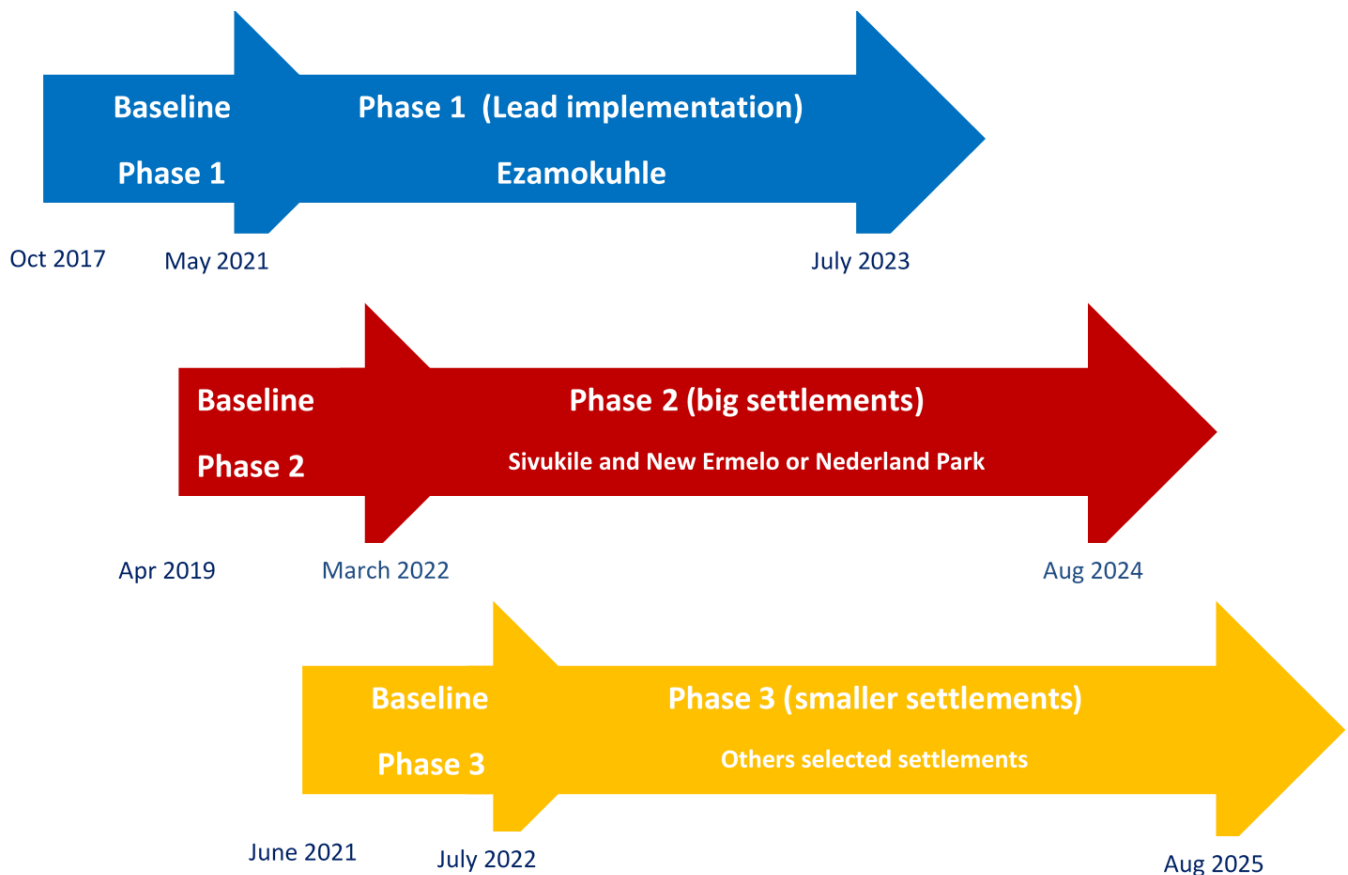


Figure 4: Concept schedule for the implementation of air quality offsets in the Gert Sibande District Municipality

The dates shown in the implementation concept (Figure 4) and the different stages of implementation (Figure 5) are preliminary and have been developed from available desktop information. The schedule will be refined and submitted for approval per phase once on-the-ground information has been obtained through community meetings and household surveys in each area.

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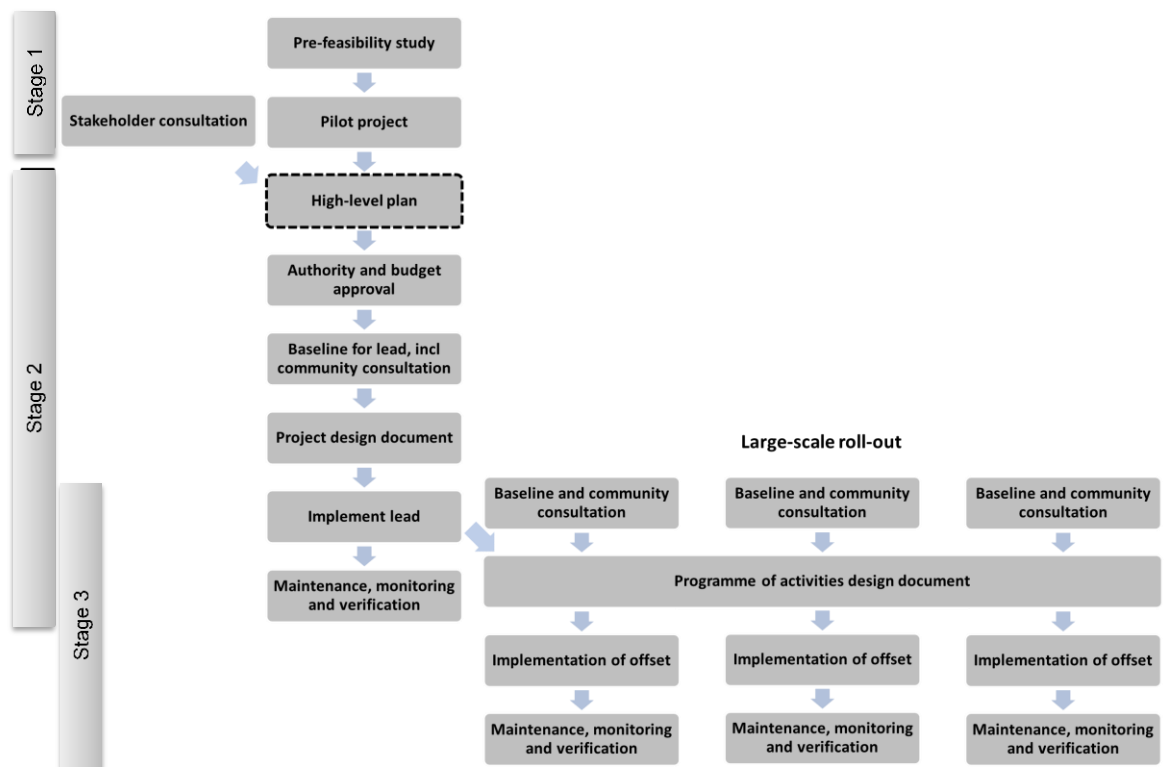


Figure 5: Stages and phases in the development and implementation of the Gert Sibande Air Quality Offsets Programme

5.2 FOCUS ON REDUCING DOMESTIC BURNING EMISSIONS

Scientific studies have repeatedly shown that, in areas where households burn coal or wood for cooking and heating, the emissions from this domestic burning make the greatest contribution to ambient levels of particulate matter. For example, ambient air quality measurements collected in 2015 in Hendrina (where there is the influence of regional air pollution sources but no significant local source) and in KwaZamokuhle (3 km away, affected by the same regional sources and domestic coal burning) showed that domestic coal burning is responsible for a significant proportion of PM₁₀ in the winter (June 2015), and also raises ambient PM₁₀ levels in the summer (January 2015 – top graph; Figure 6). In fact, between April and November 2015, ambient PM₁₀ and PM_{2.5} levels in KwaZamokuhle were more than double levels in Hendrina. Moreover, from January to November 2015, SO₂ levels in KwaZamokuhle were on average 67% higher than SO₂ levels in Hendrina.

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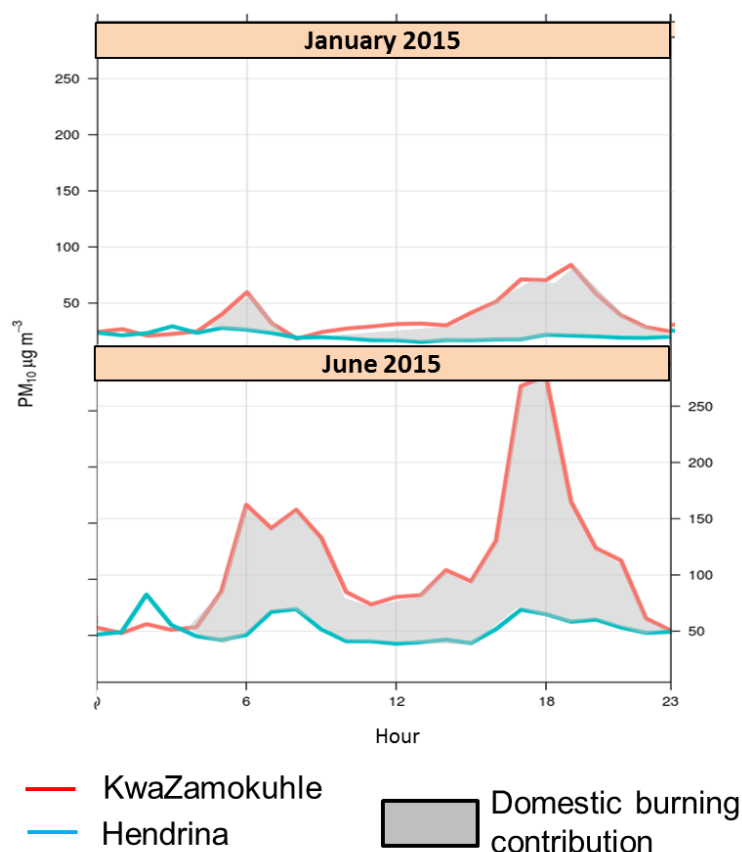


Figure 6: Average diurnal ambient PM₁₀ concentrations (µg/m³) measured in KwaZamokuhle and neighbouring Hendrina in summer (January 2015) and winter (June 2015). The difference in concentration between the two areas, shaded in grey, is mainly due to domestic burning in KwaZamokuhle.

The large contribution to particulate matter concentrations from domestic burning has been confirmed by the source apportionment conducted in KwaZamokuhle in winter 2015. More than 50% of the fine particulate matter (PM_{2.5}) is from domestic coal burning (Figure 7).

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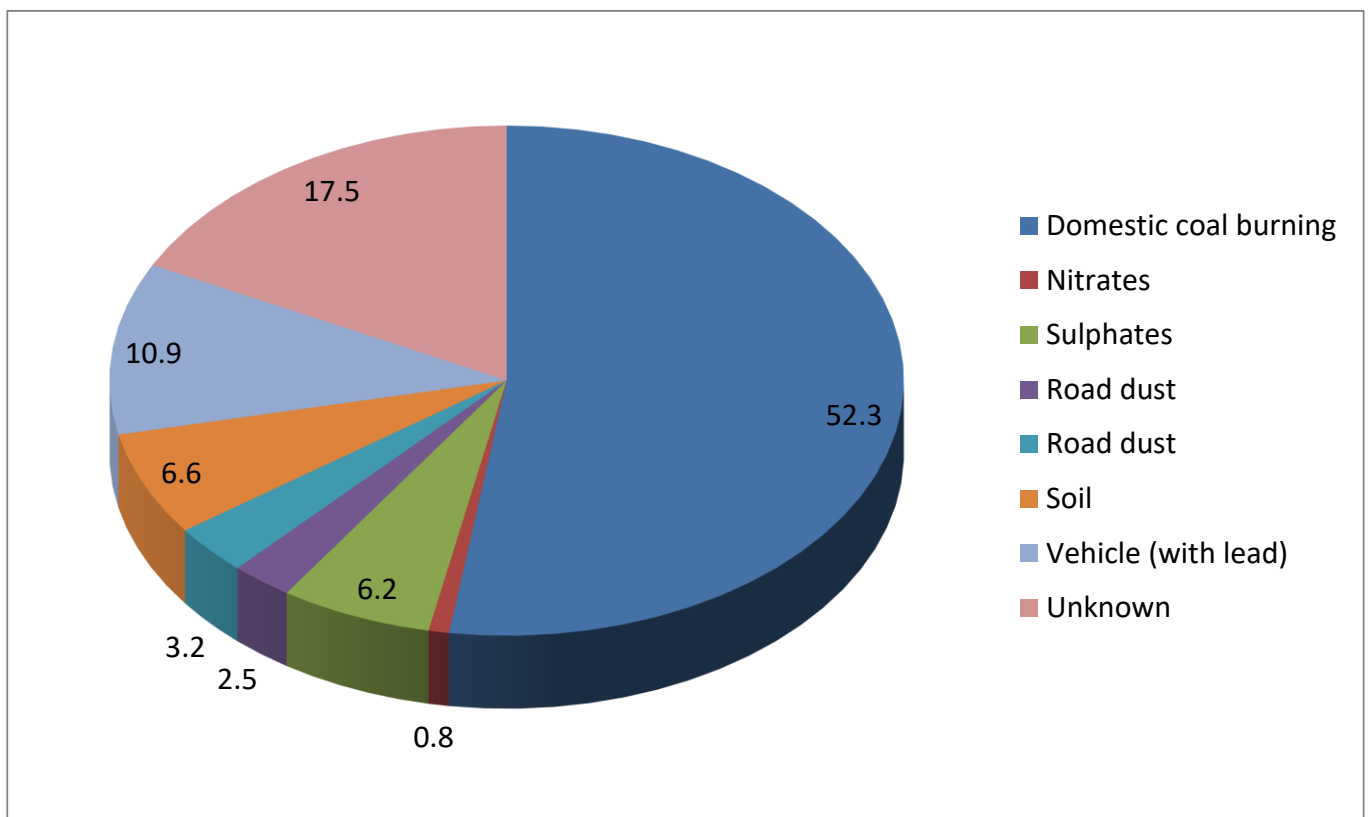


Figure 7: Source apportionment of the fine particulate matter (PM2.5) in KwaZamokuhle in winter 2015

Furthermore, modelling conducted for the FRIDGE Report (Scorgie *et al.*, 2004b) showed that on the Mpumalanga Highveld, the highest ambient PM10 levels from domestic burning are around 7-8 times higher than those from power generation (3). Indeed, ambient PM10 levels from domestic fuel burning are around an order of magnitude higher than from any other source (other than a few industries, notably brickworks and a steel factory) (refer to Table 3). The proximity of people to domestic burning also plays a crucial role in exposure since they are directly near the source. Additionally, the fact that the source is often indoors further exacerbates the impact.

Table 3: Predicted air pollution concentrations due to domestic burning and power generation in the Mpumalanga Highveld for 2002 (concentrations are highest hourly, highest daily and annual average ground-level concentrations in $\mu\text{g}/\text{m}^3$) (Scorgie *et al.*, 2004b)

		Domestic coal burning	Power generation – 2002 emissions	Power generation – 2011 predicted emissions
PM10	Hourly	1041	131	162
	Daily	139	16	20
	Annual	29	3	4

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5.3 OFFSETS IMPLEMENTATION PROCESS PER COMMUNITY

A typical offset implementation in a community will have three **stages** (refer to Table 4):

- i) **Baseline establishment:** This is conducted for roughly a year (depending on the size of the community) prior to the implementation of the offset and informs the project design. See section 5.6 for more information on how the baseline will be established.
- ii) **Implementation:** The speed of implementation depends on the number of work teams set up in the community, and the specific offset being implemented.
- iii) **Sustainability, monitoring and verification:** Once the implementation is underway and after it has been completed, infrastructure will be set up to ensure that the implementation can be maintained. The effectiveness of the intervention will also be monitored. See section 5.9 for information on monitoring and verification.

Table 4: Activities to be conducted during each stage of the offsets roll-out in a community

Baseline	Implementation	Maintenance and monitoring
<ul style="list-style-type: none"> Community consultation Ambient air quality monitoring (and source apportionment) Socio-economic surveys of households Inventory of the number of households and energy usage patterns Community focus groups (optional) Education and awareness Planning for implementation 	<ul style="list-style-type: none"> Recruitment and training of local community members for the implementation of interventions Placement of bulk supply contracts Implementation of interventions in houses Set up fuel distribution network (if required) Ambient monitoring continues Monitoring of success of interventions through follow-up surveys and monitoring Education and awareness Auditing of implementation Develop locally owned SMME(s) to satisfy household maintenance requirements 	<ul style="list-style-type: none"> Ensure the required supply chain remains in place, including supporting SMMEs Ambient monitoring continues Measures to ensure that new fuel introduced is dependably available and affordable Reporting and awareness Independent verification

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5.4 SELECTION OF AREAS FOR OFFSETTING

The methodology used to select the areas for offsetting for each power station is based on the definitions of an air quality offset in the Department of Environmental Affairs' Air Quality Offsets Guideline published on 18 March 2016:

an offset is an intervention, or interventions, specifically implemented to counterbalance the adverse and residual environmental impact of atmospheric emissions in order to deliver a net ambient air quality benefit within, but not limited to, the affected air shed where ambient air quality standards are being or have the potential to be exceeded and whereby opportunities and need for offsetting exist.

In accordance with this, the following **area selection criteria** have been used to select the areas where offsets will be implemented for power stations that are required to implement offsets:

- i) Areas are prioritised based on the impact of emissions from the power station (in order to achieve the objective of 'counterbalancing the adverse and residual environmental impact of atmospheric emissions).
- ii) Only areas where there is (probably) non-compliance with ambient air quality standards are considered.
- iii) Only areas where opportunities and need for improving ambient air quality through offsetting exist are considered (i.e. areas where there are local sources of emissions that significantly impact ambient air quality and can be addressed through offsets).

Points ii) and iii) can be considered to be 'pre-qualifying criteria

Other considerations used in the selection of areas are as follows:

- i) An offset should preferably not be rolled out to a section of a community only. The large-scale roll-out of the offset needs to include the entire community or at least large discrete sections where emissions influence air quality. (Only activities causing air pollution can be addressed, however.)
- ii) Eskom will not implement offsets in communities where other industries are already embarking on offset projects
- iii) While each power station needs to have its own offset project, there needs to be cognisance of the bigger picture and cumulative impact perspective when planning the offsets. In some cases, power stations in close proximity to each other impact on an overlapping area. In these cases, areas for offsets need to be selected to ensure that all priority settlements area allocated to a power station, although it may not be the power station in closest proximity to them.

Standard RDP houses inhabited by legal occupants in urban areas are obvious candidates for household emission offsets since the houses are of fairly uniform design, and these households often use solid fuels. However, many South Africans live in other types of dwellings and settlements, and

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offsets also need to be implemented there as far as is feasible (finding a solution in such cases is, however proving difficult).

5.4.1 Farmsteads

Farms in the vicinity of power stations need to be candidates for offsets; provided there is non-compliance with ambient air quality standards and opportunities for offsetting exist. A customised offsets intervention will need to be designed for each qualifying farmstead, based on the type of dwellings and energy use. It is likely that only households which mainly use wood, coal or a similar fuel for cooking and heating will be included in Eskom's offsets roll-out programme. Recent work done is showing that the issue of land and property tenure may limit the ability to practically implement an offset solution in farmsteads and rural areas.

5.4.2 Rural settlements

Rural settlements are also considered candidates for offsets provided ambient air quality standards are exceeded. The intervention will need to be tailored based on dwelling type and fuel use. For example, there is not much scope to switch communities which use freely available wood to a cleaner but more expensive energy source. A low emission wood-burning stove may be the most suitable intervention in this case. As indicated recent work done is showing that the issue of land and property tenure may limit the ability to practically implement an offset solution in farmsteads and rural areas.

5.4.3 Informal areas

Informal dwellings pose perhaps the greatest challenge for offset implementation, and the approach to be adopted towards informal dwellings was much debated with stakeholders in the development of this plan. On the one hand, shacks are often illegally located, and their temporary nature means that any intervention may not have a lasting impact (shacks could well be moved, for example). On the other hand, shack dwellers are subjected to some of the worst air quality and are a highly vulnerable group, and as such, are most in need of an intervention. Many urban areas have both formal and informal houses. If emissions from informal dwellings are not reduced, an offsets project may fail to significantly improve ambient air quality.

As such, Eskom will be adopting a nuanced approach towards informal areas. Areas that are semi-permanent and have been somehow 'officially' established will be considered candidates for an offsets roll-out. A stove swap is a promising intervention for an informal dwelling, but insulation will be trickier and needs to be properly tested before it is suggested for implementation.

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5.4.4 Rapid assessment of rural areas and farmstead

The bulk of the phase 3 settlements are farmstead and/or rural settlements. An in-situ rapid assessment of some of these areas was undertaken in January 2021. The following observations were made:

- Most settlements are on either farmland or mining land. Households generally do not have security of tenure.
- The areas are poorly serviced. They receive limited services like water from either the municipality or mine.
- Most households do not have an electricity supply. They mostly rely on coal, wood and paraffin.
- Some mines provide coal to the community free of charge.
- No waste removal services in place.
- There are multiple sources of air pollution in the settlements – coal / woods burning, waste burning, fugitives dust from mine, roads and ash dumps etc.
- Houses are made of various materials e.g. mud or corrugated iron sheets structures

In light of these observations, Eskom is in the process of evaluating the feasibility of rolling out air quality offsets in these types of settlement (farmstead and rural settlements).

5.5 SELECTION OF OFFSET INTERVENTIONS

The main thrust of Eskom's offsets programme will be reducing emissions from domestic solid fuel burning, based on scientific evidence that shows that of all sources of air pollution in South Africa, domestic burning has by far the greatest impact on human health (FRIDGE, 2004; MRC, 2008; Lim et al. (2012)). This finding is supported by ambient air quality measurements collected during Eskom's air quality offsets pilot study in KwaZamokuhle, which showed that domestic burning accounts for a significant amount of ambient PM. Household emission offsets will be complemented by initiatives to address other important local sources of pollution (such as landfill sites), as well as education and awareness relating to air pollution.

This Air Quality Offsets Implementation Plan is based on a **Programme of Activities**, comprising of:

- i) **Household interventions:** Emissions from the domestic burning of coal and wood will be reduced through one or more of the following:
 - Assisting households to move to a cleaner source of energy (electricity & LPG).
 - Providing households with cleaner-burning heating and/or cooking devices (such as a hybrid stove and LPG heater)
 - Reducing the need for heating by better insulating houses, where possible (installation of ceiling and draft proofing)
 - Providing Compact Fluorescent Lamp (CFL) for energy-efficient lighting.

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Space heating is a key structural cause for coal use in urban areas. Coal use is seen as economical and practical when there is a requirement for space heating (in which case users also get “free” cooking and water heating). When there is no need for space heating (i.e. in summer), people tend to cook and heat water on non-coal stoves rather. Effective interventions thus need to both reduce the need for space heating through improving housing insulation and moving households to a cleaner-burning fuel or stove/heater.

The interventions need to be tailored to each community based on dwelling type and energy use. They will also be informed by the lead implementation in Ezamokuhle, where all qualifying and willing households residing in formal dwellings will receive a basic retrofit (ceiling and draft proofing) and clean energy starter pack. Suitable interventions for informal dwellings, farmstead and rural settlements still needs to be developed.

- ii) **Community emission interventions:** In some areas, there are significant local non-household sources of emissions that affect the air quality in the area, for example, waste burning or smouldering landfills. These sources will be identified in the baseline phase of the roll-out through engagements with the community and air quality monitoring. Eskom will engage with the Local Municipality to explore ways to address these sources.
- iii) **Education and awareness-raising:** Continual interaction with the community is needed to ensure that the intervention is used and maintained properly (for example, that heater are not run throughout the day or with closed windows, and cooking methods are adapted to suit the type of stove provided), and to encourage behavioural change to reduce exposure and smoke generation. Schools will be one of the main targets for education initiatives. These initiatives will need to be done in partnership with local environmental health practitioners.
- iv) **Projects in development:** Since this Air Quality Offsets Implementation Plan spans multiple years, the interventions cannot remain static but need to change as new technologies become available and as circumstances of communities change. Renewable energy technologies, in particular, are developing rapidly and may be a viable offset option in future, especially in more remote areas which are not connected to the electricity grid. Initially, the projects in development will focus on:
 - Informal housing pilot: This will be conducted in KwaZamokuhle from 2021, during the lead implementation there. Some of the most feasible options for reducing emissions from informal dwellings will be tested, taking into account the interventions and supply networks that are being set up for the roll-out targeting formal households.
 - Non-household intervention pilot: This will be conducted in the Vaal, also from 2020, and will test ways of reducing emissions from local waste burning through improving waste collection and/or recycling.
 - Farm dwelling/rural pilot: Farm and rural dwellings are often not uniform, and use wood rather than coal. Solutions for these types of communities will be tested at one of the farm and rural dwellings around one of the stations in the Nkangala or Gert Sibande District Municipality.

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The intervention designed for each community will need to be tailored to take into account:

- The main source(s) of local emissions in the community
- The energy sources used by the community
- The size of the community (which may influence available energy sources, for example)
- The housing structures and permanence thereof (insulation may not be a viable option for all housing structures, for example)

5.6 BASELINE ESTABLISHMENT

A baseline needs to be established for each community prior to implementation of the offset intervention in order to:

- Provide a basis for comparison to determine the improvement in air quality due to the offset
- Inform the scope of the offset intervention and the project design

For example, the number of households eligible to participate in the offsets intervention will be established based on the number of solid-fuel using households in the area immediately prior to the start of the implementation. Additional households established during the implementation (which may be stimulated by the revenue and benefits brought by the intervention) can unfortunately not be considered in this phase of the offsets roll-out (although they would potentially be candidates should there be a future offsets roll-out).

Furthermore, the success of the intervention will be evaluated relative to the baseline as it changes over time. An offset cannot be considered to fail if the number of households in an area doubles (and thus local emissions double) during the offset roll-out. Similarly, an offset intervention cannot be considered to be successful if it is not additional to changes that would have happened in the absence of the roll-out (for example, the trend of decreasing coal use in the Vaal). As such any foreseen changes in the community must be determined during the baseline assessment before a roll-out can be planned.

The baseline will be established in each community through two main activities:

- i) Air quality monitoring to establish baseline levels of PM and SO₂
- ii) Surveys focussing on the quality of life (comprising objective living standard and subjective well-being) and energy use of a sample of willing households in the community

Additional tools may be employed from time to time to aid in the understanding of the offset on the community and the air quality, for example, air quality and/or dispersion modelling and source apportionment measurements.

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5.6.1 Air quality monitoring

Since the overarching objective of Eskom's air quality offsets is to improve ambient air quality, specifically ambient PM levels, ambient air quality measurements need to be performed before the implementation of the offsets to establish baseline conditions (for a year); during the implementation; and after the implementation for at least a year to monitor retention.

A 'standard' monitoring station will be sited in all larger areas where offsets are implemented. The following parameters will be continuously monitored at the standard monitoring stations:

- PM10 and PM2.5
- SO₂
- NO_x
- Meteorology: temperature, wind direction, wind speed, pressure, humidity, rainfall

An additional 'standard' monitoring station will also be sited upwind of the area where the offsets are implemented. It is hypothesised that regional and large pollution sources (like power stations and biomass burning in August/September) will have a similar impact on both monitoring stations, but that the influence of local emissions in the offset area will not greatly influence measurements at the upwind monitoring station. The difference between the measurements collected at the two monitoring stations will provide a good indication of the influence of local emissions on air quality in the area selected for the offset and how they decrease over time, and will hopefully allow for the variability introduced by meteorological conditions and changing strengths of regional sources to be accounted for.

In addition to the standard permanent monitoring stations, standard mobile monitoring stations (equipped to measure the same set of parameters as the standard permanent monitoring stations) will be deployed for shorter periods of time in order to ascertain the effectiveness of the offsets roll-out in smaller settlements.

Lastly, a mobile monitoring station equipped with a much more extensive set of instruments will be moved between communities to ensure that we obtain a good scientific understanding of the impact of the offset interventions on ambient air quality. Parameters monitoring by this 'scientific' mobile monitoring station may include:

- Black carbon
- Carbon monoxide
- Ozone

Where interventions are conducted in farm homesteads and small settlements, air quality monitoring will not be undertaken, as it is considered that:

- The success of the interventions in improving air quality has been demonstrated in other areas
- The costs of the air quality monitoring will be greater than the costs of the offset intervention

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5.7 COMMUNITY CONSULTATION

Community support is vital to the success of offsets. Communities have not been consulted in the development of this high-level plan, as approval of the proposed methodology and areas selected is needed before the expectation of an intervention can be created with communities. It is also preferable to engage with communities shortly before an intervention roll-out, not several years before.

Nevertheless, very comprehensive community consultation needs to be undertaken before the implementation of offsets in a community. This consultation will inform the development of a project plan for each community. Through the community consultation, we will:

- i) Ascertain what the significant local emission sources are and how they can best be addressed.
- ii) Establish a baseline for a community (how many households are there? What are their energy usage patterns? What type of housing structures do they have?). This baseline will be used to scope the intervention and evaluate the success of the intervention.
- iii) Create awareness as to how air pollution affects health and what can be done to stay healthy
- iv) Educate the community members on how to best employ and maintain the offset
- v) Get buy-in from the community

In each community where offsets will be implemented, a Local Stakeholder Reference Group (LSRG) will be set up. The LSRG is a forum through which Eskom and the local community communicate with each other.

The LSRG will be established before project implementation and continue throughout it, with at least three LSRG meetings per year. Community understanding and support of the intervention is fundamental to the implementation of air quality offsets. The communities are much more likely to accept an offsets intervention if there is transparent and active communication between all parties. The aim of the LSRG is to achieve such community support.

Key stakeholders for the LSRG and associated engagements include all households in the engaged community, qualifying intervention households, in particular, political leaders (such as councillors and ward committees), social leaders (such as religious leaders, traditional leaders and educators), local government, the South African Police Service, Eskom and Eskom contractors.

Communication with the community may proceed in four stages if necessary:

Stage 1: Engage licensing authorities, local government and formally elected leaders.

These introductory engagements will also align Eskom's LSRG strategy with local protocol. Issues to be discussed include the project history and objectives, the choice of the particular community, the choice of interventions, qualifying criteria for participating households, technical information, funding, expectations from all sides and risks.

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Stage 2: Establish a LSRG. A comprehensive selection of representatives will be invited personally and/or publicly (through advertisements and public notices) to participate in the LSRG, including partners from Stage 1. The LSRG meetings will have a clear and fixed procedure with a strong focus on the Offset Programme, thereby preventing secondary issues impeding on available time. The LSRG meetings will take place on an ongoing basis and be scheduled at prominent periods of implementation. The LSRG will address all the elements of stage 1, as well as having a focus on the community perspectives and the promotion of better energy use choices and practices.

Stage 3: Conduct public communication meeting(s) if needed. There might be a need for one or more public communication meetings, depending on the outcomes of stages 1 and 2. A public meeting might coincide with existing meetings conducted by the political leadership. These public meetings will discuss all the issues mentioned in stage 1 and stage 2, with a strong focus on the community perspectives.

Stage 4: Communicate with qualifying households. Following the successful completion of stages 1 to 3, communication with qualifying households must take place. This part of the communication will continue over a longer period than stages 1 to 3 and parallel to the start of implementation. The aim of this communication will be to inform households about the planned interventions so that they can make a decision whether to participate in the project or not. Stage 4 will have as content all the elements of stage 1, as well as the household selection process, technical information, household responsibilities including maintenance, contractual considerations, contract and construction scheduling.

The following administrative requirements will be adhered to during community engagements:

- Strict and comprehensive documentation will be kept
- Where possible, audio recordings of proceedings will be taken
- Full meeting scripts will be circulated to all invitees whether they attended or not
- The local project office will be accessible to the public for enquiries
- Translation services at meetings and documents in multiple languages will be provided

The above process will, unfortunately, need to be limited during the COVID pandemic, and more limited engagements will be required.

5.8 LOCAL EMPLOYMENT CREATION

The air quality offsets programme offers potential for creating local employment (albeit on a temporary basis), which needs to be taken advantage of. Teams which conduct the socio-economic surveys and implement the interventions need to be mainly recruited from the local community.

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5.9 MONITORING, VERIFICATION AND REPORTING

The effectiveness of the offsets roll-out will be tracked through monitoring, independently verified, and reported on annually to the Gert Sibande District Municipality and National Air Quality Officer. A contract has been established with a Planning, Monitoring and Verification (PMV) contractor. Three indicator domains will be monitored before and during the offsets implementation, namely *the state of ambient air, emissions* and *quality of life*. Over every monitoring period, the project scenario (as it actually took place) will be compared to a credible baseline scenario (i.e. the situation that would have been the case if the project was not implemented). It is just as important to monitor parameters that allows one to describe the project scenario as it is to monitor parameters that allows one to construct the baseline scenario. The terms *describe* and *construct* are significant: after the project starts, the project scenario is the state of affairs that exists in reality and must therefore be described while the baseline scenario does not exist (because the baseline is what would have existed without the offset intervention) and must therefore be theoretically constructed.

Examples of the parameters monitored include:

- i) Ambient air quality
 - a. Hourly, daily and annual PM and SO₂ concentrations within the implementation area
 - b. Hourly, daily and annual PM and SO₂ concentrations at a reference site outside the implementation area
- ii) Household emissions
 - a. Number of solid fuel using households within the project boundary per fuel type
 - b. Average solid fuel use per household per season per fuel type
 - c. Number of households at which the offset has been successfully implemented
- iii) Quality of life
 - a. Demographic factors such as age and sex distribution which is important to monitor the level of vulnerability due to exposure to air pollution in a community
 - b. Health and well-being such as poverty lines and employment, as well as perceptions regarding air quality and the desirability of the air quality offset project
 - c. Services and infrastructure such as water, waste removal and sanitation, as well as housing with particular emphasis on measuring temperature inside homes, in order to determine the appropriate indoor thermal range which influence domestic energy usage patterns
 - d. Education, safety and security aspects as far as it relates and could be impacted by the offset project

The relationship between the emissions from households and the state of ambient air must be established through some form of modelling (dispersion modelling, receptor modelling or both). Model validation forms an important part of the design phase of the project.

The offset project impact is the difference between the baseline scenario and the project scenario. The principal indicator for the success of the intervention will be related to a change in exposure to air pollution. This can be expressed as a reduction in the ambient concentration of particulate matter, or as

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a reduction in standards weighted pollution intake or a reduction in inhalation related health risk or a reduction in the expected burden of disease from air pollution.

Relevant reporting will take place at each stage of the project. Before the project starts, a baseline study and detailed project design are undertaken. Details of the project implementation will be monitored continuously and stored in a project database that will contain details of every installation.

5.10 HEALTH IMPACTS ASSESSMENT

Exposure to air pollution is strongly associated with respiratory health impacts, especially in vulnerable groups, such as young children. Acute respiratory health impact, especially pneumonia, continues to count among the top five causes of death in South African children under the age of five years. A contract has been put in place with the Medical Research Council (MRC) to determine the health impacts of the air quality offsets roll-out in KwaZamokuhle and Emzimnoni.

The aim of the study will be to determine the personal health effects of chosen offset interventions in one settlement compared to a control site. To fully comprehend the personal health effects related to air pollution exposure, a two-pronged approach is necessary. Firstly, a household survey to establish symptoms and pre-existing diseases in relation to risk factors and exposure pathways provides a snapshot view of the health status of a community. Secondly, the vulnerable sub-population groups within a community are most likely to experience the subtle effects of increased or decreased air pollution levels in their places of work, play and residence. In this respect, it is important to assess physiological responses, i.e. lung function, to air pollution exposure. Children under the age of 10 years are an important target group for assessment since they are usually not actively smoking, and their physiology is susceptible to small increment pollution changes. By focussing on a susceptible group, the likelihood of detecting a change is higher.

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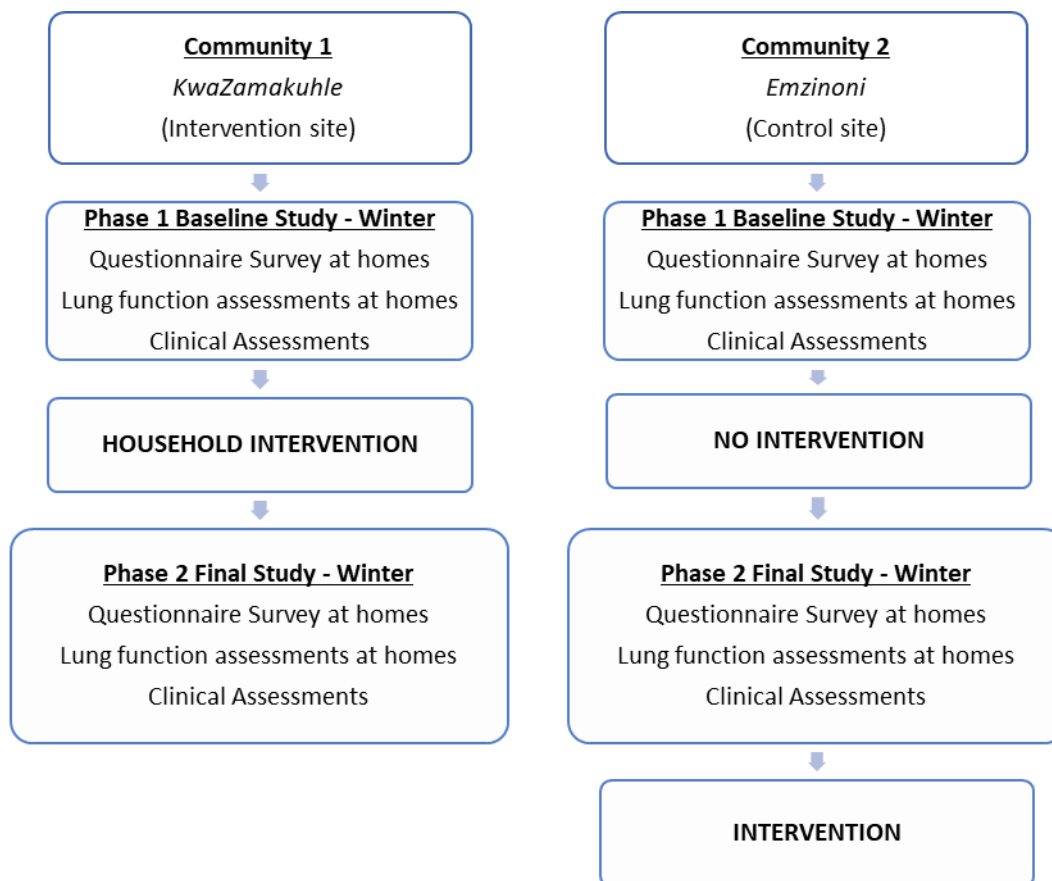


Figure 8: Overview of the two-phase study design in the study and control communities

The majority of phase 1 of the health study has been completed, and the interim report has been submitted to Eskom. Phase 2 of the health study has been negatively impacted as a result of confounding factors resulting from the COVID-19 pandemic and the National lockdown situation. This relates mainly to the health data. After deliberation between Eskom and MRC, a decision was taken to stop the project. Processes are underway to wrap up the outstanding matters and terminate the contract. Feedback to key rolep[layers and participants will be provided presently.

6. AIR QUALITY OFFSET IMPLEMENTATION PLANS PER POWER STATION

The communities which have been proposed for offsets for each power station and the timeline for implementation are described in this section. Figures 9 to 11 show the area of impact of the emissions from each power station (annual average concentrations) and are extracted from the Atmospheric Impact Reports submitted in support of Eskom's application for postponement of the Minimum Emission Standards compliance timeframes for each of the power stations (uMoya-NILU 2014a-2014d).

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6.1 MAJUBA POWER STATION

Majuba Power Station is a coal-fired power station with an installed capacity of 4110 MW, commissioned between 1996 and 2001. Majuba is situated around 14 km south-west of Amersfoort, Mpumalanga.

6.1.1 Target areas and interventions

The areas affected by emissions from Majuba Power Station (Figure 9) are, ranked in terms of descending impact:

- Daggakraal and Sinqobile
- Amersfoort
- Ezamokuhle

Daggakraal, Sinqobile and Ezamokuhle have been selected as target areas for Majuba's offsets roll-out (5). Offsets will also be implemented at neighbouring farms where there is opportunity and need for offsetting.

Ezamokuhle is proposed as the lead implementation project for the Gert Sibande District Municipality. Ezamokuhle was selected for the lead implementation because coal use is prevalent, and household density is relatively high. Emissions from coal-burning are expected to contribute significantly to local levels of PM, and thus an offsets roll-out is anticipated to make a measurable improvement to ambient PM concentrations. The implementation of the selected intervention(s) will begin as soon as possible in Ezamokuhle, and at least a year before implementation in other areas. The practicalities of the roll-out of the selected intervention will be tested on the scale of a whole settlement so that learnings can be incorporated into the roll-out in other settlements. For more on the lead implementation, see section 0.

Offsets will also be implemented in Daggakraal and Sinqobile, provided there is non-compliance with ambient PM standards (refer to table 5). Daggakraal and Sinqobile are rural settlements, where households are situated further apart than in urban settings. The impact of emissions from domestic coal burning on ambient air quality is thus expected to be less than in an urban area like Ezamokuhle. For this reason, Ezamokuhle has been prioritised ahead of Daggakraal and Sinqobile for Majuba's offsets roll-out.

Amersfoort was not selected for an offsets roll-out because there are no significant opportunities for offsets there (there are no significant sources of pollution in Amersfoort, hence no potential to improve the air quality through an intervention in Amersfoort). However, an intervention in Ezamokuhle is also expected to improve air quality in the adjacent Amersfoort.

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Table 5: Total population, energy usage patterns and indicative number of households that will participate in the offsets roll-out in the target areas for Majuba's offsets programme

Settlement	Daggakraal/Sinqobile	Ezamokuhle
Population	14 856	10 293
Number of households	4 112	2 956
Number of households using coal according to Carbon Monitoring Report	3 269	2 054
Number of households using wood according to Census 2011	213	30
Indicative number of households for offsets*	2 940	1 850

* assuming 90% of coal/wood-using households choose to participate in the programme.

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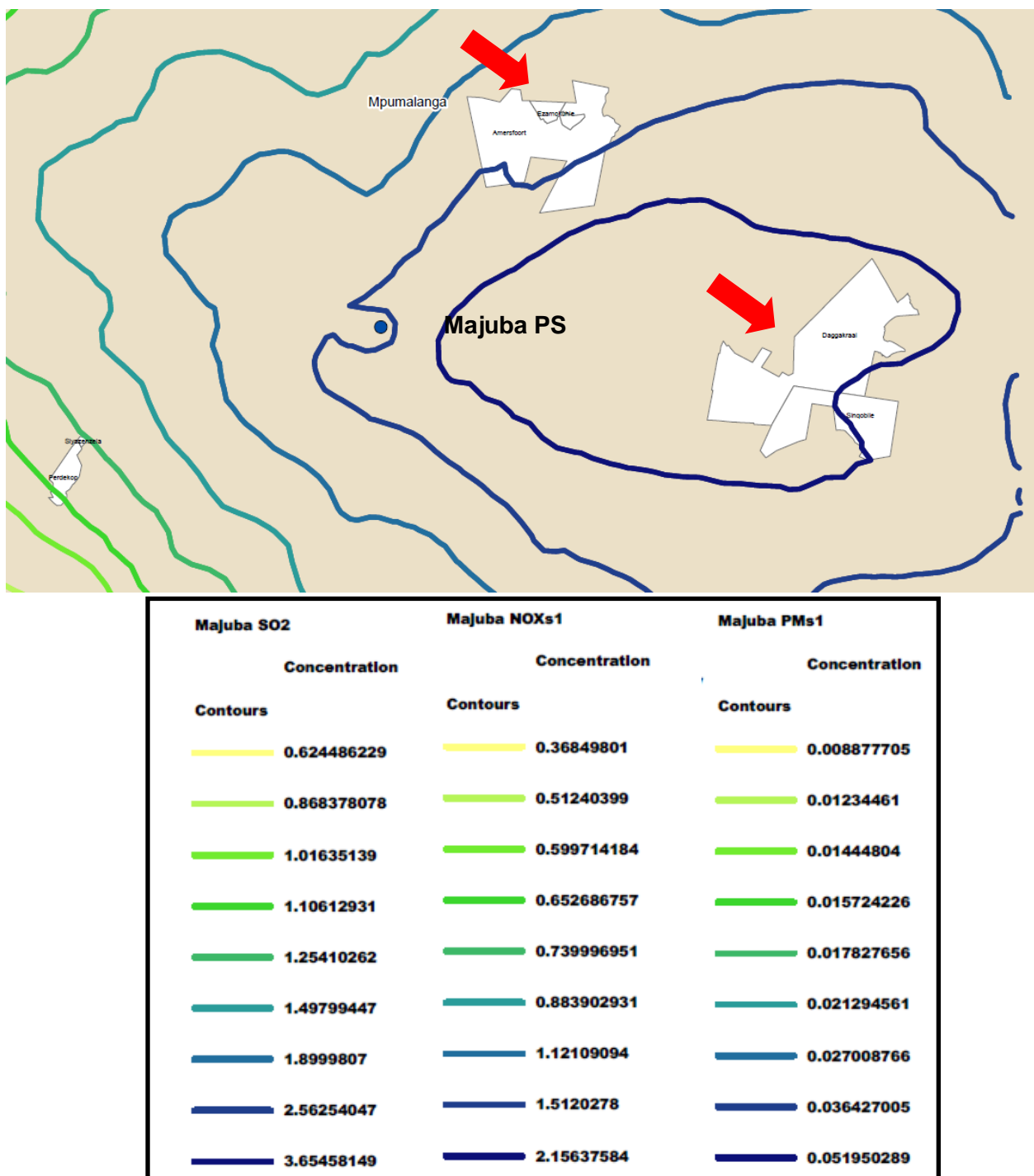


Figure 9: Area of impact of Majuba Power Station's emissions (annual average concentrations in $\mu\text{g}/\text{m}^3$ from uMoya-NILU, 2014b), and locations of Daggakraal/Sinqobile and Ezamokuhle (indicated with red arrows)

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6.2 TUTUKA POWER STATION

Tutuka Power Station is a coal-fired power station with an installed capacity of 3654 MW, commissioned between 1985 and 1990. Tutuka is situated around 20 km north-north-east of Standerton, Mpumalanga.

6.2.1 Target areas and interventions

Considering the area of impact of Tutuka's emissions (Figure 10), the following areas have been selected for offsets:

- Phase 1: Sivukile
- Phase 2: Thuthukani RDP houses and farm homesteads.

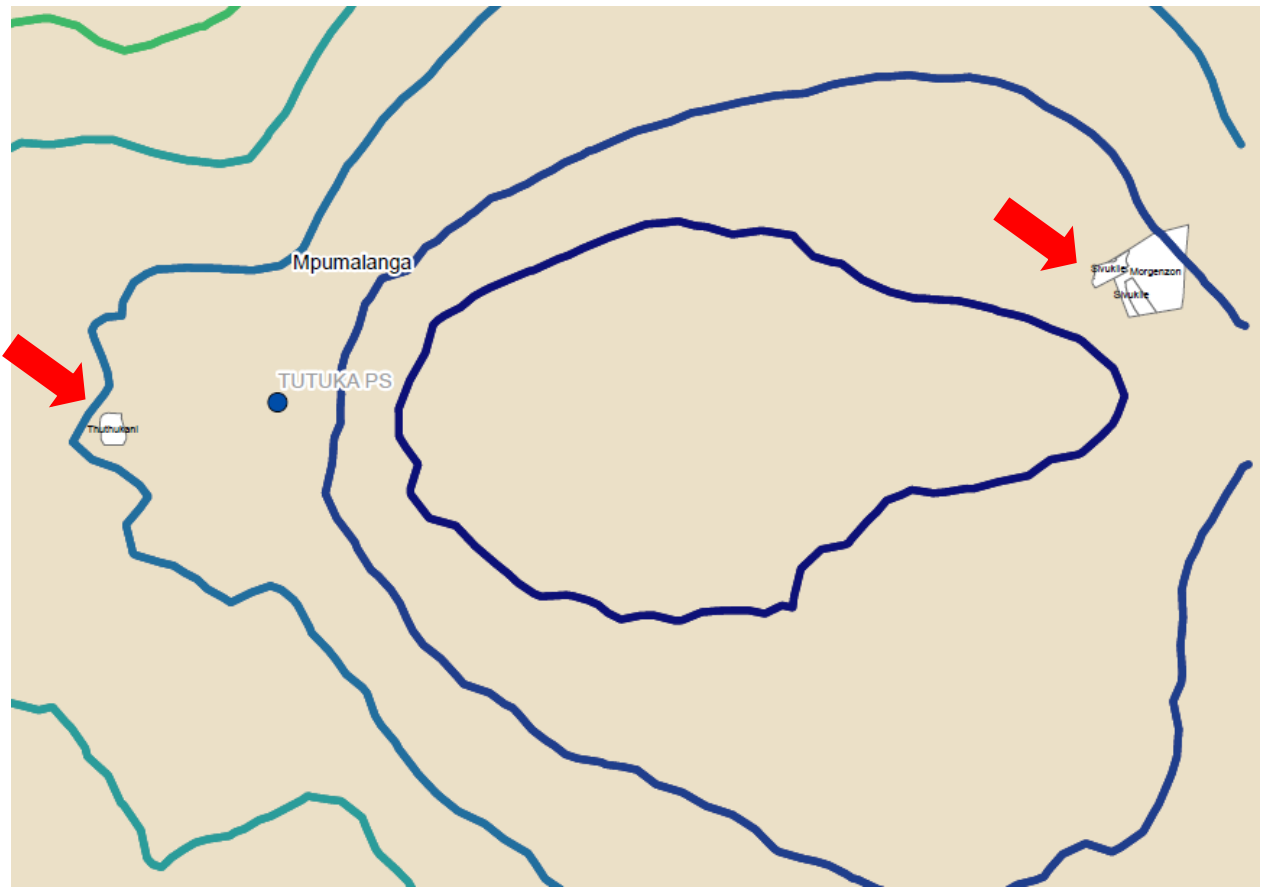
Sivukile is proposed to be the main focus of Tutuka's offsets roll-out, provided there is non-compliance with ambient PM standards and domestic coal-burning makes a significant contribution to local PM levels (to be confirmed during the baseline phase) (refer to Table 6).

Thuthukani began as a workers village for the Tutuka Power Station. The eastern section belongs to Eskom, and the western section is owned by New Denmark Mining Company (part of Amcoal Group). Recently the Lekwa Local Municipality approved about 500 low-cost housing units to be built on the southern section of the Eskom part of the village (extracted from <http://www.lekwalm.gov.za/index.php/about-municipality/boundaries-and-neighbors>). Around 340 of these RDP houses have already been constructed. The Lekwa Local Municipality is of the opinion that given the location of the village in relation to other sub-regional economic activities, it appears the chances of the village expanding beyond its current form are quite slim. In Thuthukani, offsets will only be implemented at the RDP households that use coal/wood for cooking and/or heating (i.e. if in fact the opportunity for offsets exists).

Morgenzon was not selected for an offset roll-out because there are no significant opportunities for offsets there. However, an intervention in Sivukile is also expected to improve air quality in the adjacent Morgenzon. Standerton and Sakhile were not prioritised in this offset plan, because Tutuka's emissions only have a very limited impact on these areas. Sakhile would, however, be a potential area for a future offset roll-out.

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Tutuka SO ₂ s1	Tutuka NO _x s1	Tutuka PM ₁₀ s1
Concentration	Concentration	Concentration
Contours	Contours	Contours
0.629715991	0.277035012	0.052895902
0.86256845	0.379476958	0.072455161
1.00669616	0.442885021	0.084561674
1.09590629	0.482132444	0.092055192
1.240034	0.545540507	0.104161704
1.47288646	0.647982452	0.123720964
1.84908245	0.813487464	0.155320865
2.45686398	1.08087705	0.206373607
3.43879466	1.51287115	0.288854319

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Figure 10: Area of impact of Tutuka Power Station's emissions (annual average concentrations in $\mu\text{g}/\text{m}^3$ from uMoya-NILU, 2014a), and locations of Sivukile and Thuthukani (indicated with red arrows)

Table 6: Total population, energy usage patterns and indicative number of households that will participate in the offsets roll-out in the target areas for Tutuka's offsets programme

Settlement	Sivukile	Thuthukani RDP houses
Population	5757	2670 (total)
Number of households	1718	340-500 (RDP)
Number of households using coal according to Census 2011	690	4**
Number of households using wood according to Census 2011	31	4**
Indicative number of households for offsets	1 160*	400

* assuming 75% of households are coal/wood users, and of those 90% choose to participate in the programme

**Census 2011 was conducted prior to the construction of the RDP houses

6.3 CAMDEN POWER STATION

Camden Power Station is a coal-fired power station with an installed capacity of 1 561 MW. Camden was originally commissioned between 1967 and 1969, but was then mothballed in the times of excess capacity, and returned to service between 2005 and 2008. Camden is situated around 14 km south-east of Ermelo, Mpumalanga. The Camden units reach their 50-year life between 2020 and 2023 but the life of the plant may be extended beyond this date however, the station will be shut down by 2030.

6.3.1 Target areas and interventions

The settlements (refer to Table 7) in the vicinity of Camden which are most highly impacted by Camden's emissions (Figure 11) are, in order of highest emissions impact:

- Camden town is the power station village situated immediately north of the power station. There is also a small area used by the Defence Force immediately east of the power station. There is very limited opportunity for offsets in these areas, so they have not been selected as candidates for offsets implementation.
- Sheepmoor is a rural village situated around 24 km south-east of Camden Power Station, adjacent to a tree plantation. According to the Census 2011, the majority of households in Sheepmoor use wood as a primary energy source, presumably because it is readily available.

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- Ermelo, around 14 km north-west of Camden Power Station, is a relatively large urban area, with several areas which predominantly use coal as their main energy source.

Since Camden's 50-year life ends between 2020 and 2023, and since it is not desirable to roll-out an offset to only part of a settlement, it is proposed that Camden Power Station first roll-out a household emission offset in Sheepmoor. Sheepmoor is a rural settlement using wood (7), so it may not be possible to insulate the houses. A switch to a low emission wood-burning stove may offer a more sustainable way of reducing emissions rather than switching to a cleaner fuel. Offsets will also be implemented at farms in the vicinity of Camden, provided air quality at the dwellings is poor, and opportunities for offsets exist. If a decision is made to extend Camden Power Station's life beyond 2020-2023, then the offsets roll-out will be extended to Ermelo too.

Table 7: Total population, energy usage patterns and indicative number of households that are potentially candidates for Camden's offsets programme

Settlement	Sheepmoor	New Ermelo, Ermelo	Nederland Park, Ermelo
Population	2727	4 350	8 415
Number of households	733	1 255	2 518
Number of households using coal according to Carbon Monitoring Report		1 039	1 847
Number of households using wood according to Census 2011	496		
Indicative number of households for offsets	600*	935**	1 660**

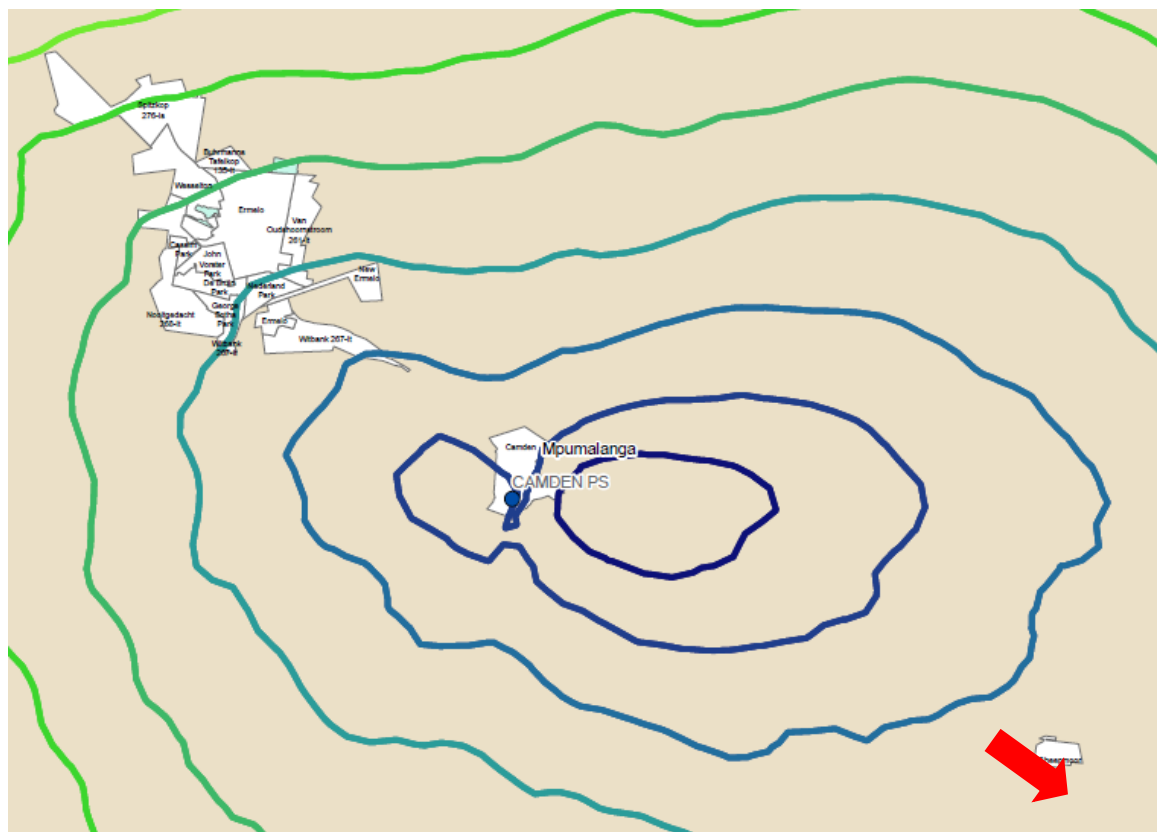
* assuming 90% of households are wood users, of which 90% choose to participate in the programme

** assuming 90% of coal-using households choose to participate in the programme

Implementation of the air quality offset for Camden power stations is dependent on final decisions on the shutdown date of the station.

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Camden SO ₂ s1	Camden NO _x s1	Camden PM _s 1
Concentration	Concentration	Concentration
Contours	Contours	Contours
0.685034763	0.249241666	0.033440789
0.920783582	0.335014249	0.044948868
1.06381638	0.387053926	0.051931014
1.2995652	0.472826509	0.063439093
1.68812996	0.614198175	0.082406883
2.32856827	0.84720909	0.113669879
3.38414837	1.2312612	0.165198023
5.12397142	1.86426168	0.250127487
7.99157405	2.90758264	0.390109512

Figure 11: Area of impact of Camden Power Station's emissions (annual average concentrations in $\mu\text{g}/\text{m}^3$ from uMoya-NILU, 2014c), and locations of Camden town, Sheepmoor and Ermelo. Sheepmoor, selected for the offsets programme, is indicated with a red arrow.

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6.4 GROOTVLEI POWER STATION

Grootvlei Power Station is a coal-fired power station with an installed capacity of 1 180 MW. Grootvlei was originally commissioned between 1969 and 1973, but was then mothballed in the times of excess capacity, and returned to service between 2008 and 2011. Grootvlei is situated around 14 km south-west of Balfour, Mpumalanga. The station operates with fabric filter plants on all units for emission reduction.

6.4.1 Target areas and interventions

The settlements in the vicinity of Grootvlei Power Station which are most highly impacted by Grootvlei's emissions (Figure 12) are, in order of highest emissions impact:

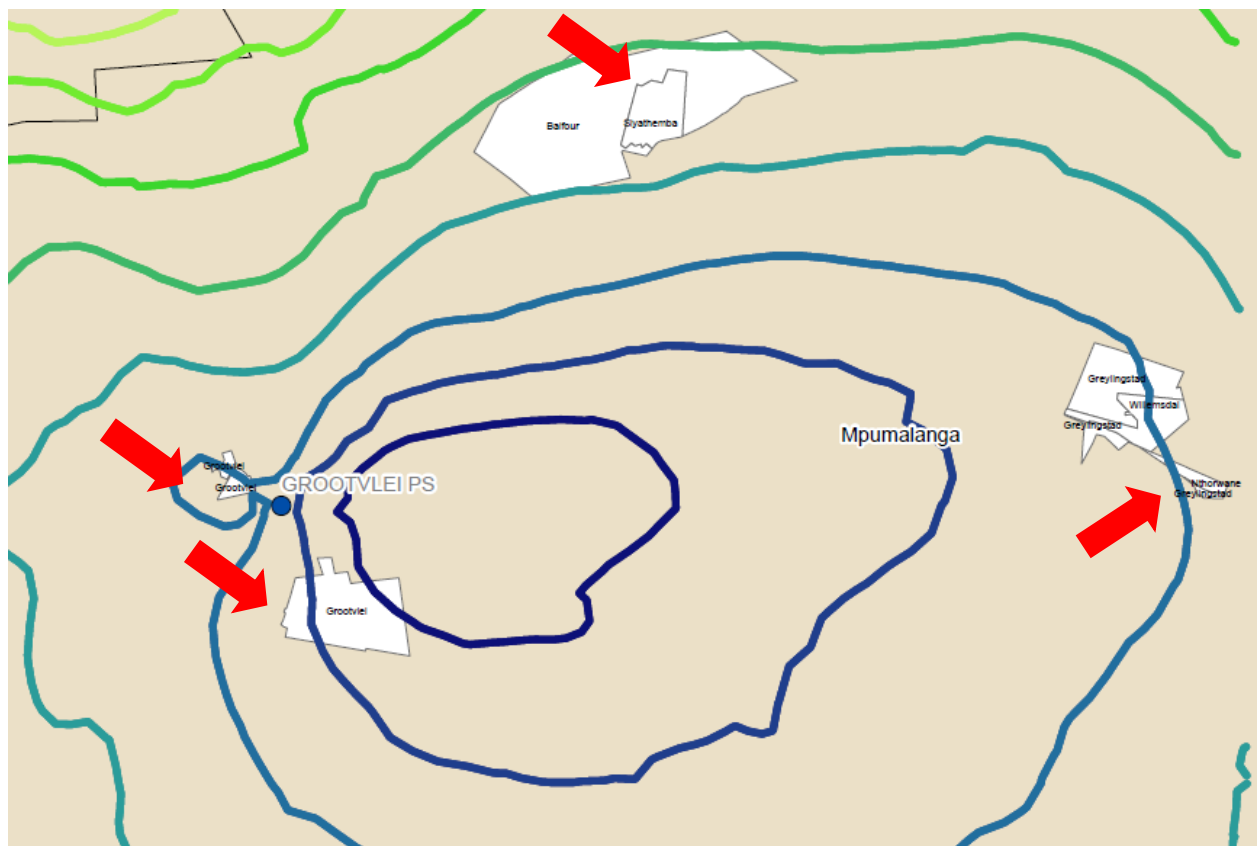
- Grootvlei, about 3 km to the south-south-east of the power station.
- Grootvlei, the power station village, immediately to the west-north-west of the power station. There is no potential for household offsets here, but there may be an opportunity to reduce emissions from the waste disposal facility.
- Nthorwane and Greylingstad. According to the Census 2011, domestic fuel use is fairly evenly split between coal and wood in Nthorwane. Opportunities for offsets in Greylingstad are limited.
- Siyathemba and Balfour. Around 50% of households use coal in Siyathemba. Opportunities for offsets in Balfour are limited.

For Grootvlei's offsets programme, it is proposed to address the following areas (Table 8) where opportunities for offsets exist, with the areas that are most highly affected by Grootvlei's emissions being prioritised:

- Fugitive emissions from the waste dump in Grootvlei power station village
- Domestic burning emissions in Grootvlei (south-south-east of the power station)
- Domestic burning emissions in Nthorwane

Should Grootvlei's offsets programme be extended to another phase, Siyathemba would be a candidate for an intervention.

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


























Grootvlei SO ₂ s ₁	Grootvlei NO _x s ₁	Grootvlei PM _{s1}
Concentration	Concentration	Concentration
Contours	Contours	Contours
 0.245577542	 0.095259021	 0.041912287
 0.351758594	 0.136446632	 0.060034112
 0.420161539	 0.162980121	 0.071708382
 0.52634259	 0.204167731	 0.089830207
 0.691166132	 0.268102753	 0.117960494
 0.947019694	 0.367348302	 0.161626793
 1.34417803	 0.521405948	 0.229409452
 1.96068205	 0.760547742	 0.334627642
 2.91767367	 1.13176461	 0.497956547

Figure 12: Area of impact of Grootvlei Power Station's emissions (annual average concentrations in $\mu\text{g}/\text{m}^3$ from uMoya-NILU, 2014d), and locations of Grootvlei towns, Nthorwane and Siyathemba

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Table 8: Total population, energy usage patterns and indicative number of households that will participate in the offsets roll-out in the target areas for Grootvlei's offsets programme

Settlement	Grootvlei	Nthorwane
Population	3 843	6 120
Number of households	1 130	1 826
Number of households using wood according to Census 2011		384
Number of households using coal according to Census 2011		368
Indicative number of households for offsets*	763*	1 216**

* assuming 75% of households use coal, and of those 90% choose to participate in the programme

** assuming 37% of households use coal and 37% of households use wood, and of those 90% choose to participate in the programme.

6.5 TIMELINE FOR IMPLEMENTATION

This updated offset plan covers the period from March 2021 to March 2025. It is envisaged that each power station should have completed rolling out an intervention at least one decent sized settlement by end March 2025 (a farm homestead, for example, is not considered to be a sufficient offset for a power station).

The preliminary schedule (Figure 13) depends on the budget being made available. Should there be a cut in the allocation of funding to this project, it will translate directly into a delay in this schedule. This schedule also depends on approval from the relevant authorities. Work can only commence once approval from the authorities has been received. Should approval be delayed, or should significant changes be required to this plan, the roll-out of offsets will be delayed.

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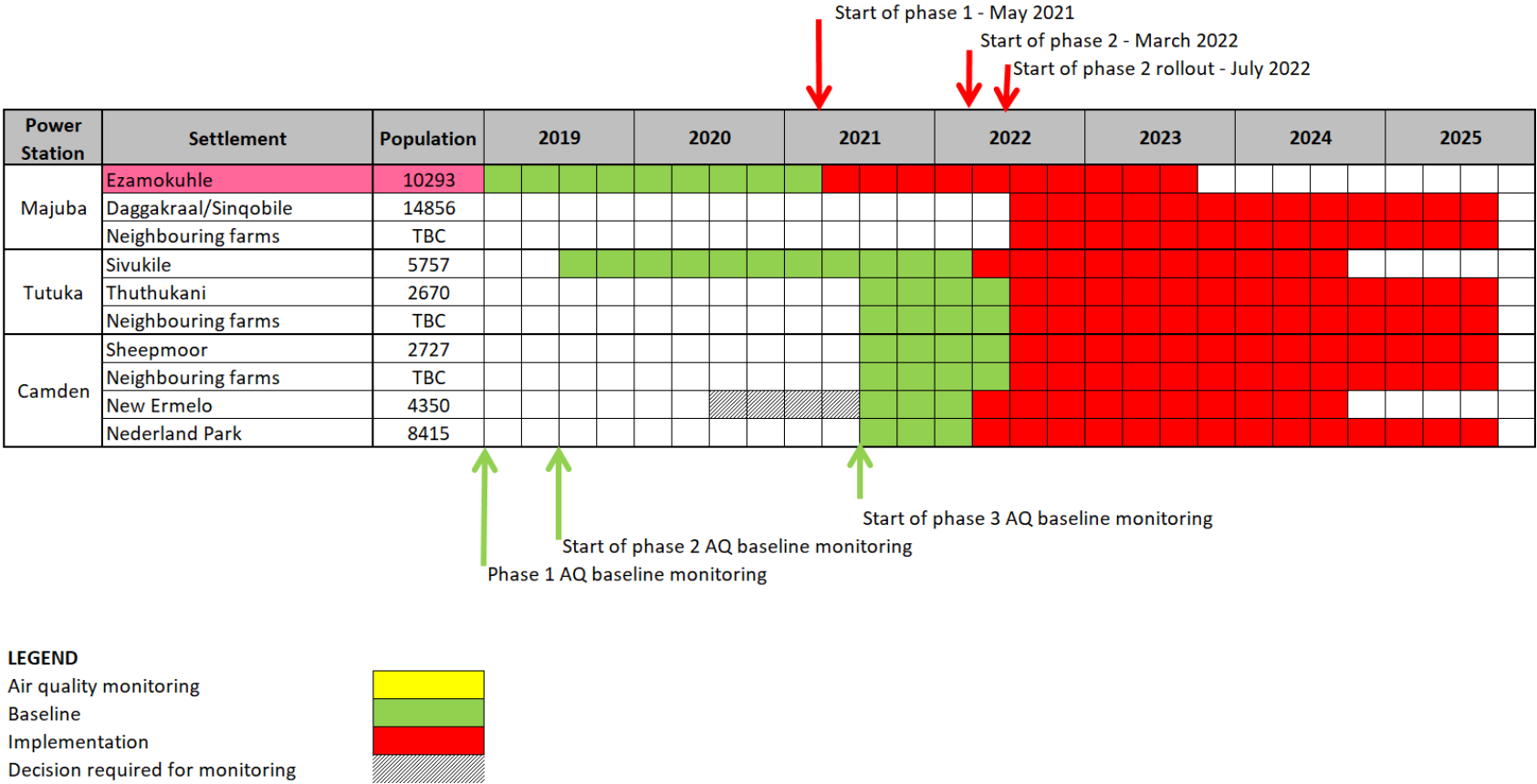


Figure 13: Preliminary schedule for the roll-out of the air quality offsets in each selected area. This schedule will be refined as more information about the settlements becomes available. Offsets in New Ermelo and Nederland Park depend on whether power station life is extended. The timelines are dependent on procurement processes, authority and budget approvals.

This schedule depends on budget being made available. Should there be a cut in the allocation of funding to this project, it will translate directly into a delay in this schedule. This schedule also depends on approval from the relevant authorities. Should approval be delayed, or should significant changes be required to this plan (as a result for example of further wave of COVID), the roll-out of offsets will be delayed.

6.6 LEAD IMPLEMENTATION

Ezamokuhle has been selected as the lead implementation for the Gert Sibande District Municipality due to the prevalence of domestic coal burning, its appropriate size (not too big that the full roll-out will take too long, but big enough to allow testing of key aspects of the roll-out at scale) and the relatively high density of houses, which leads us to expect that household emissions will have a relatively large influence on ambient PM concentrations (and hence that air quality offsets have the potential to significantly improve ambient pollution).

The interventions will be tailored to suit the type of household (informal or formal structures; access to electricity; solid-fuel using or not).

The following interventions have been selected for formal dwellings for the lead implementation:

- Replacement of existing coal/wood stoves with gas-electric stoves and provision of an LPG heaters
- Insulation of housing by installing a ceiling to raise indoor temperatures in winter and reduce the need for space heating.

Earlier version of this Air Quality Offset Implementation Plan stated that households would be switched from coal to electricity only. However, households will now be switched to electricity and an LPG backup. Energy is the cleanest source of energy for domestic use and is a more logical energy source to be promoted by Eskom. LPG is provided as a backup to hedge against power cuts and increases in electricity prices.

The implementation will be phased, so that “simpler” households with a readily available intervention can be addressed first, while interventions are tested for more “complex” households. Pilot studies will be conducted in KwaZamokuhle to test interventions on informal dwellings and mixed formal/informal dwellings. The learnings in the KwaZamokuhle pilots will be applied in Ezamokuhle. Households that do not burn solid fuel will be addressed later in the project as they do not have an impact on ambient air quality.

Key concerns with electricity and the way these will be addressed are:

- Ezamokuhle experiences a lot of power cuts due to a variety of reasons. To ensure that households are not left without cooking and heating sources during the power outages, an LPG backup system, in the form of a gas-electric stove and an LPG heater, will be provided to each participating household. An LPG heater is a more powerful heating source than an electrical heater.
- Houses will also be insulated to reduce the need for space heating.

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- Electricity and LPG are more expensive than coal. However, the reduced need for space heating due to the housing insulation should mean that the R200-R300/winter month that households use to buy coal should be sufficient for their electricity and LPG needs.
- Many households have municipal debt, and money for the repayment of this debt is subtracted when households buy electricity. This means that much of the money which a household allocates to electricity cannot in fact be used to buy electricity. No solution was found for this problem.

In many low-income households, the electric wiring was not done by a professional and may be unsafe. The project team will ensure that the electric wiring is safe in each household that receives the interventions. In this regard an electrical Certificate of Competence will be issued.

All solid fuel using households will be invited to participate in the roll-out. Unfortunately, households only using electricity will not qualify for the full intervention..

Key questions to be answered during the lead implementation include:

- What percentage of households is willing to participate in the project?
- How sustainable is the switch to cleaner energy sources (electricity and LPG)?
- Is an electricity subsidy needed to make the switch from coal to electricity sustainable?
- Can the electricity distribution network support the increased load of all the electric appliances?
- How are the coal merchants affected by the declining use of coal, and how do they react?
- How can the insulation and electric / LPG appliances and installation be improved for future roll-outs (and does another approach entirely need to be considered?)
- How can a locally owned company be set up towards the end of the roll-out to assist with maintenance?
- How can the recruitment and training of local community members to conduct surveys and implement the offsets be best arranged?
- How can a database be set up to archive the information?
- What is the most suitable format and frequency of reports?
- How do non-qualifying households react to the offsets roll-out?
- How do households react in the event of an electricity outage?
- How does the intervention affect the demand for LPG in the area?
- Can the local LPG cope with the increased demand for LPG?
- By how much does ambient air quality (especially PM2.5 and SO₂) improve as the offsets are rolled out?

Phase 1, the lead implementation in Ezamokuhle, was planned to start in October 2020, but has been delayed due to the impact of COVID-19 pandemic and delays concluding contracts for the procurement of the required services. The implementation is now planned to commence during May 2021 (refer to Figure 1).

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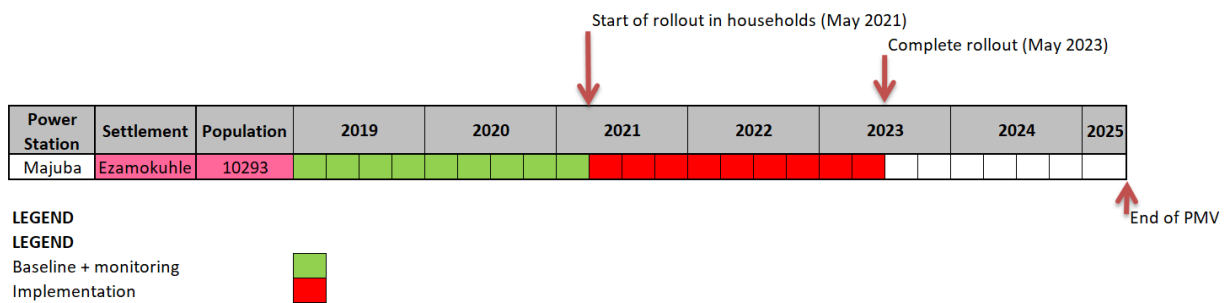


Figure 14: Timeline for the implementation of air quality offsets in Ezamokuhle. The timelines are dependent on procurement timelines.

To date, the following milestones have been achieved pertaining to the execution of phase 1 (refer to table 12). The only outstanding work package is heater and stoves, of which tenders are currently being evaluated.

Table 9: Phase 1 progress to date

Work package / contract	Status
Insulation	Tender stage
Heaters and Stoves	Tender evaluation in progress
PMV	Contract completed
Project Management	Contract completed
Health study	Contract terminated

Phase 2 implementation has been delayed due to delays in finalising the execution of the delivery model and in securing the required budget. Phase 2 was initially planned to commence July 2021, but is tentatively planned to commence in March 2022. The overall programme timeframes will be better clarified based on internal discussions on the delivery approaches, which is still currently underway.

7. RISK MITIGATION

Risks and unintended consequences of an air quality offsets programme which switches households from coal to electricity with LPG backup, and the way in which Eskom proposes to mitigate the risks, as follows (Refer to Table 9):

Table 10: Risks of air quality offsets and proposed mitigation

Risk	Risk rating	Mitigation already in place	Planned mitigation
Money used by households to buy electricity will be used instead to pay off	High		Engagements will be held with the local municipalities to see if an agreement can be reached regarding the payment of household debts.

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Risk	Risk rating	Mitigation already in place	Planned mitigation
municipal debts.			
Funding constraints: Funds have been allocated for offsets implementation but they may be cut	Medium	Funding requirements were included in MYPD tariff application but with tariff reduction, this provides limited mitigation now	Compliance aspects of offsets will be presented during capital reprioritisation and with specific offset funding requests.
Objections from communities which are not included in the offsets implementation	Medium	An objective process has been used to select communities. Also, offsets will not be implemented in a section of a community only. In-depth community consultation will only occur after authority approval of the plan and allocation of budget.	Most communities in the vicinity of power stations will eventually receive an offset implementation.
Unreliable supply of electricity will leave communities without an energy source at times.	Medium		The proposed intervention includes provision of an LPG backup.
Safety: Electric wiring in many houses is unsafe. Injuries may be caused by electric heaters or stoves	Medium	-	The project team will ensure the wiring is safe after installation of the gas-electric stove and ceiling. An electrical CoC will be issued by a competent electrician. Members of the local community will be trained in safe operations prior to the installations. Health and safety requirements of Eskom's procurement process will be adhered to.
Objections from households which do not use solid fuels	Low	-	An understanding of the objectives of the offsets roll-out and the secondary benefits for non-participating households will need to be conveyed through community consultation and awareness initiatives.
Inability of local authority to support/facilitate waste and household solutions impacting on ability to create sustainable solutions	High	Continued engagement with authorities	Continued engagement with authorities Consider projects which require less authority involvement
COVID 19 impacts affecting potential community interaction and commercial processess	High	To be developed	To be developed

8. MEASURES TO ADDRESS COVID-19 RELATED CHALLENGES

This project plan has been revised in the midst of a National lockdown. The extent, duration and the impact of the COVID-19 is uncertain at this stage. Table 10 highlight measures that are been put in place

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in an attempt to mitigate COVID-19 related challenges during implementation of Air Quality Offsets in the Gert Sibande District:

Table 11: COVID-19 related challenges and mitigation measures

COVID-19 / lockdown Challenges	Mitigation measures
Travel restriction by Eskom employees and contractors	Permit to perform work including inter-provincial travel will be issued by Eskom
Reduced participation due to fear of infection	Pre-implementation awareness will be undertaken to raise awareness of offset interventions and health protocol to be put in place to limit risk of infection
Risk of infection (employee and households)	The required health and safety protocols will be put in place

9. WAY FORWARD

There needs to be regular engagement between Eskom and the authorities so that the offsets implementation proceeds according to everyone's satisfaction, and that learnings are incorporated into the more refined plans. Eskom proposes that this takes the following form:

- Annual updates of this Air Quality Offsets Implementation Plan for Gert Sibande District Municipality. This document is the third such update
- Annual progress reports. See the annual progress report also submitted in March 2020.
- Bi-annual (twice a year) meetings between Eskom and the authorities.

10. CONCLUSION

The air quality offsets regime being developed by DEFF provides a practical and realistic way of improving air quality in communities. Despite the economic constraints faced by South Africa in general and Eskom in particular, the offset plan described in this document illustrates that improvement of community environmental parameters are achievable within the context of limited national resources and competing national imperatives.

Although the offset plan is ambitious in scope and reach, the phased approach ensures a higher probability of achieving the desired outcomes, which include:

- acting responsibly with and towards affected communities
- demonstrably improving community experienced air quality in a cost-effective manner
- meeting air quality license conditions

The planned solution adapts to local conditions and immediate context through community consultation and ongoing development. However, the ultimate goal is national and long term in nature: the aim is to focus the available national resources to achieve a sustained improvement in quality of life for current and future citizens of South Africa.

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11. REGISTER OF CHANGES MADE TO THE DOCUMENT

This AQO implementation plan is essentially the same as the one updated and submitted to DEFF in October 2020. A few changes have been made to the document to highlight the impact of COVID-19 pandemic and the revised implementation timeframes. All the new text in the document have been underlined and the applicable pages are indicated in table 11:

Table 12: Register of changes

Page No.	Detail of changes made
4	Delays to phase 1. Reasons for the delays. Proposed new timeframes.
4 – 5	Decision to stop health study and terminate MRC contract.
4	Decision to include delivery of offset solution around Grootvlei in this plan
5	Update on security breaches at monitoring sites.
5	Delays to phase 2. Delays in securing required budget.
6	Changes to rollout schedule for phase 1 – refer to Figure 1
9	An updated annual progress report to be submitted with this report
23	Clarified difference between “phases” and “stages”
25	Included summary of findings of rapid in-situ assessment of farmstead and rural settlements
26	Provided full details of interventions to be implemented in lead implementation
26	Clarified intend with community emission interventions
31	Revised section 5.9 on Monitoring, Verification and Reporting
34	Termination of health study
43	Inclusion of Grootvlei
45	Revised timeframes for this updated plan: April 2020 – March 2025
52	Register of changes made to the document
57	State of air quality in Ezamokuhle

12. RESPONSE TO LETTER FROM GERT SIBANDE DM DATED 22 OCTOBER 2020

No.	Comment	Response
1.	The GSDM acknowledges the Eskom AQO implementation Plan for GSDM received on the 8 th September 2020	Noted.
2.	Post the review of the content of the Implementation Plan, the facility is requested to provide the GSDM with the following clarifications	
(a)	The correct dates for the implementation of the plan as the ones indicated in the document	Dates clarified in this report

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	do not correlate throughout the document	
(b)	The document submitted does not account for the period post-approval in April 2016 to date	Please refer to the progress report for details on activities conducted since the approval of the plan in 2016.
(c)	Despite reasons furnished for the non-implementation of the program at Grootvlei Power Station, the authority requires on the contrary the implementation of the offset plan at the site as specified.	Delivery of offset interventions around Grootvlei Power Station have been included in this plan
(d)	The baseline assessment appears on phase 2 whereas it should have been on phase 2 prior project inception	As detailed in section 5.3 of this report, every phase has three stages; (1) Baseline establishment (2) Implementation of offset intervention and (3) sustainability, monitoring and verification.
(e)	Community emission intervention under the selection of offset interventions on page 7, the plan does not clarify the next step after the identification of emission sources	As detailed in section 2, Eskom will engage with the Local and District Municipality to explore ways to address non-household sources if appropriate.
(f)	The phase approach is not documented consistently – somewhere the phases start from 0 to 2 and at other instances the phases start from 1 to 3	As detailed in section 5.3 and elsewhere in the plan, every phase has three stages ; (1) Baseline establishment (2) Implementation of offset intervention and (3) sustainability, monitoring and verification.
(g)	The facility does not provide activities conducted after the approval of the plan in April 2016 to date	Please refer to the progress report for details on activities conducted since the approval of the plan in 2016.
(h)	The document does not provide the link to the public participation report referred to be in appendix D	Reference to Appendix D removed.
(i)	There is no indication of the date of the establishment of the Local Stakeholder Reference Group (LSRG)	Eskom will commence with setting up the LSRG and household registration in Ezamokuhle in May 2021
(j)	Table 6 in the plan does not indicate the definite quantity of participants	As per Table 6, the indicative number of target households is 2100. These number still to be confirmed.
(k)	For Camden Power Station, Netherland Park's quantity of household and choice to be revisited due to the nature of the settlement	Noted. The target area and number of targeted household will be confirmed prior rolling out the intervention.
(l)	Figure 12 still indicates TBC with no definite indication of when to confirm the population number	The number of targeted households in farmsteads and rural areas to be confirmed by census prior to rolling out the intervention
(m)	Baseline questions indicated on page 46 should be asked prior the implementation of the plan	These question will be answered prior to the rollout as part of the scope of the Planning, Monitoring and Verification contractor

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(n)	The facility to provide the authority with other reasons besides the COVID-19 pandemic as indicated	In addition to delays related to COVID-19, there have been challenges with procuring the required services. Some tenders had to be re-issued due to lack of response from the market.
(o)	Figure 11 of the initial submission of the implementation plan (2016), the facility to furnish the authority with air quality monitoring report and baseline report for Ezamokuhle	Please refer to section 13 below for a summary of exceedance in KwaZamokuhle, Ezamokuhle and Thubelihle.
(p)	The facility to furnish the authority with baseline and implementation reports for other stations besides Ezamokuhle as contemplated on Figure 11 of the initial submission of the implementation plan (2016)	Please refer to section 13 below for a summary of exceedance in KwaZamokuhle, Ezamokuhle and Thubelihle.
(q)	The facility to provide the authority with what has been done from 2016 to date for the neighbouring farms.	A rapid assessment was done in farms in Nkangala DM – please refer to section 5.4.4 for observation and challenges highlighted. Consideration is being given to the nature of offsets that could be implemented in the light of the challenges highlighted.
(r)	The authority advises the facility to also implement lessons learnt where the program is already running	Noted.

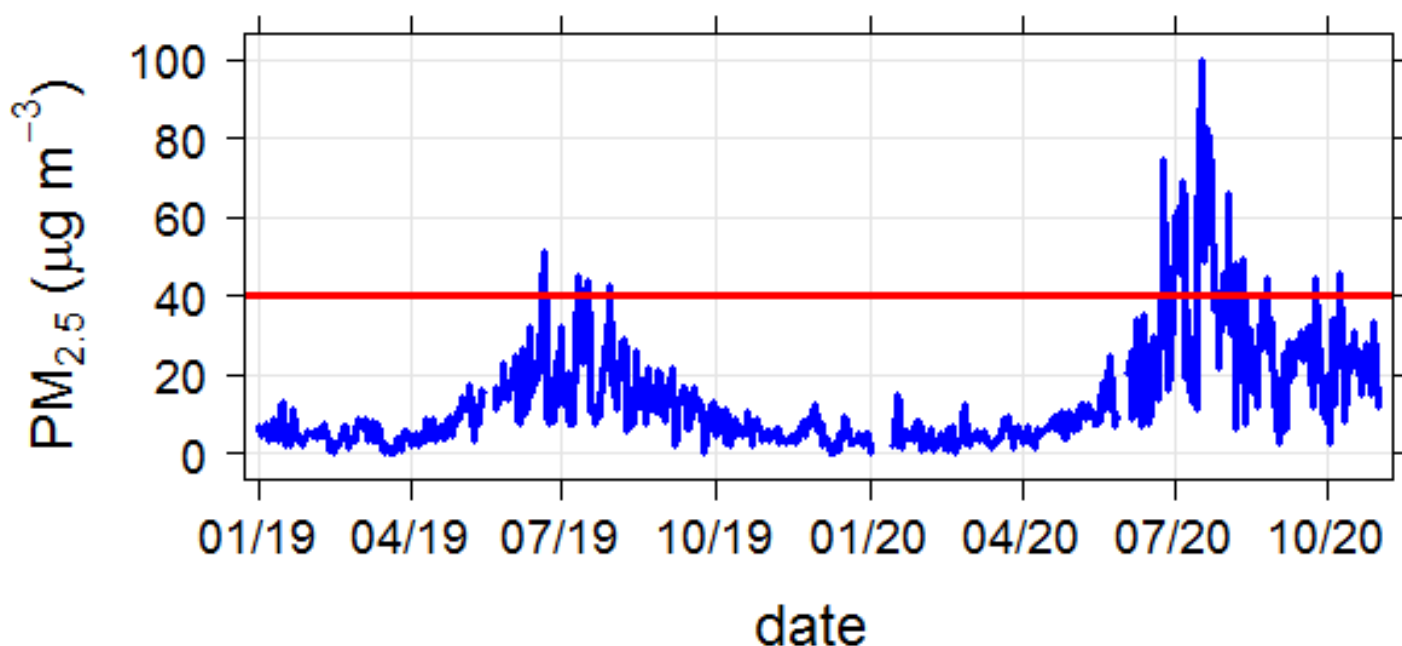
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13. STATE OF AIR QUALITY IN EZAMOKUHLE 2020/2021

The increase in ambient PM_{2.5} concentrations in the winter months reflect the extensive use of solid fuels for space heating and cooking in winter. The daily ambient PM_{2.5} concentrations have violated the National Ambient Quality Standard.

		SO ₂	PM ₁₀	PM _{2.5}	NO ₂
Ezamokuhle	10-min	2	N/A	N/A	N/A
	Hourly	1	N/A	N/A	0
	Daily	0	No PM ₁₀ analyser	34	N/A
	Annually	0	No PM ₁₀ analyser	0	0



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15. APPENDIX A: SATELLITE IMAGES OF AREAS SELECTED FOR OFFSET INTERVENTIONS

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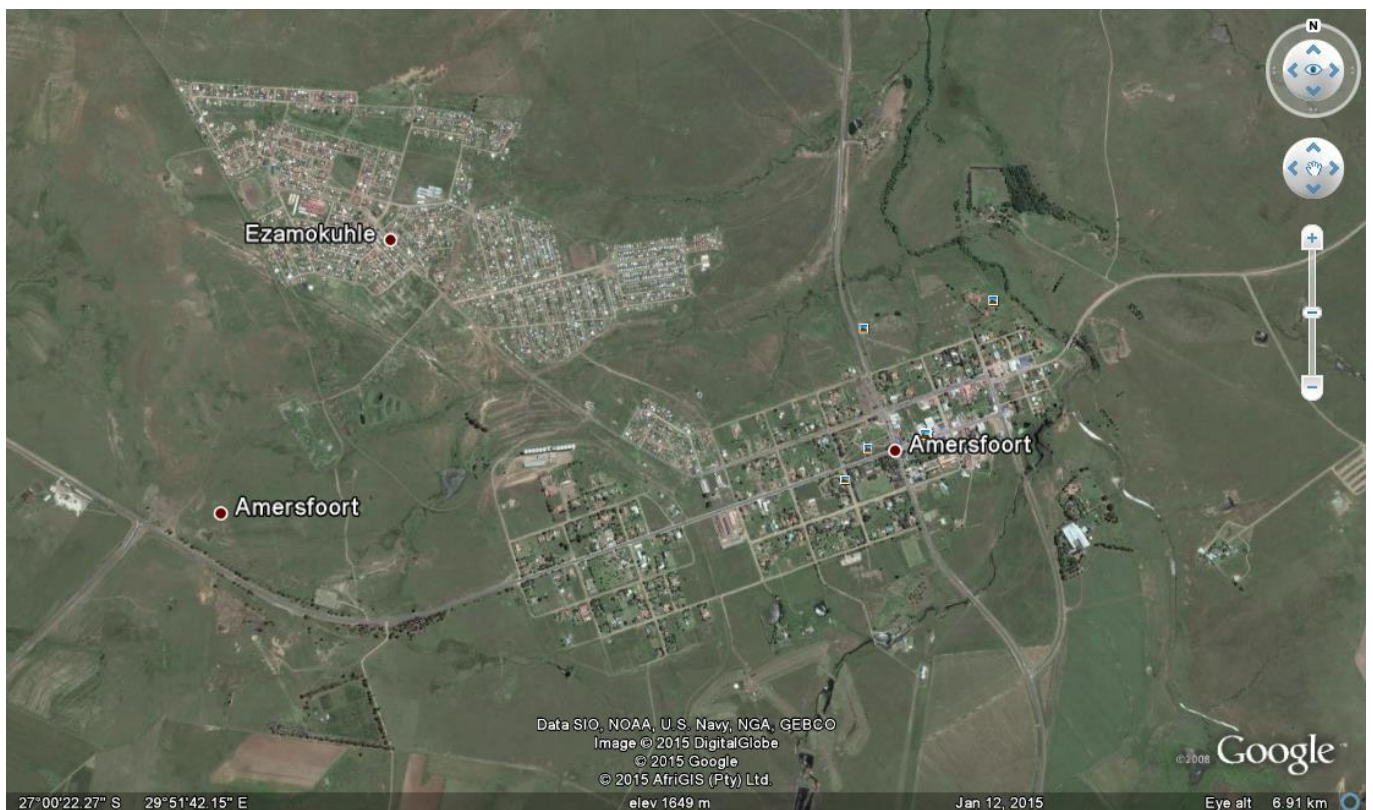


Figure 15: Ezamokuhle (and Amersfoort)

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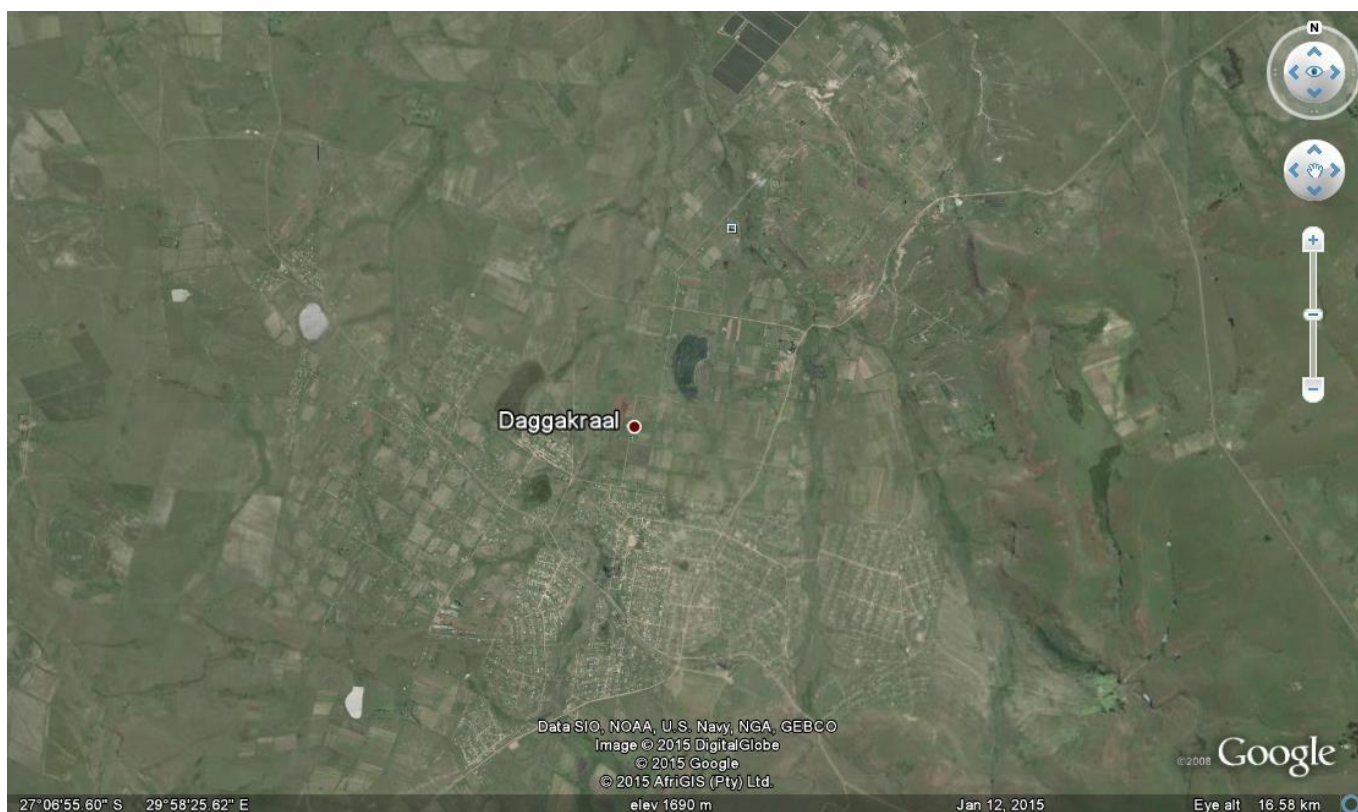


Figure 16: Daggakraal and Sinqobile

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Figure 17: Sivukile (and Morgenzon)

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Figure 18: Thuthukani. The RDP houses are those to the south

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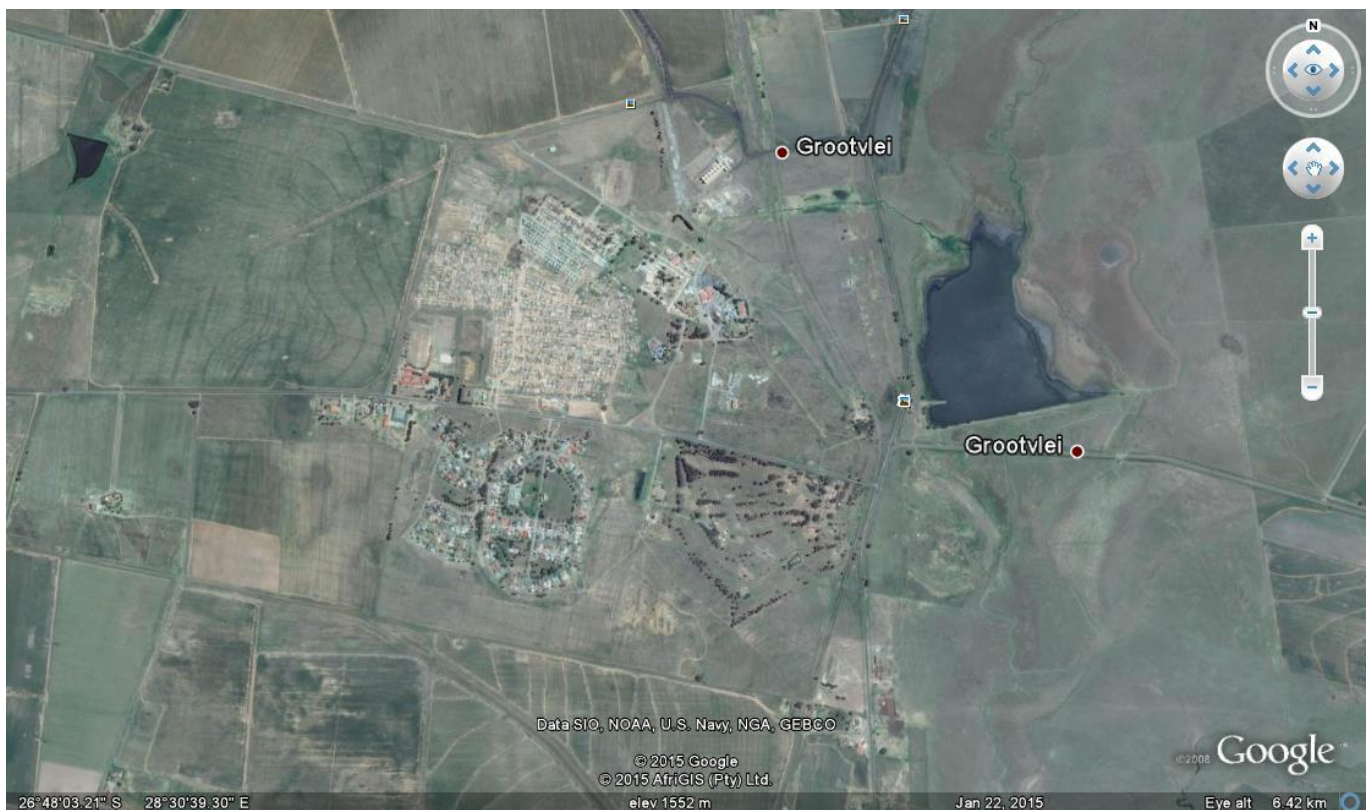


Figure 19: Grootvlei

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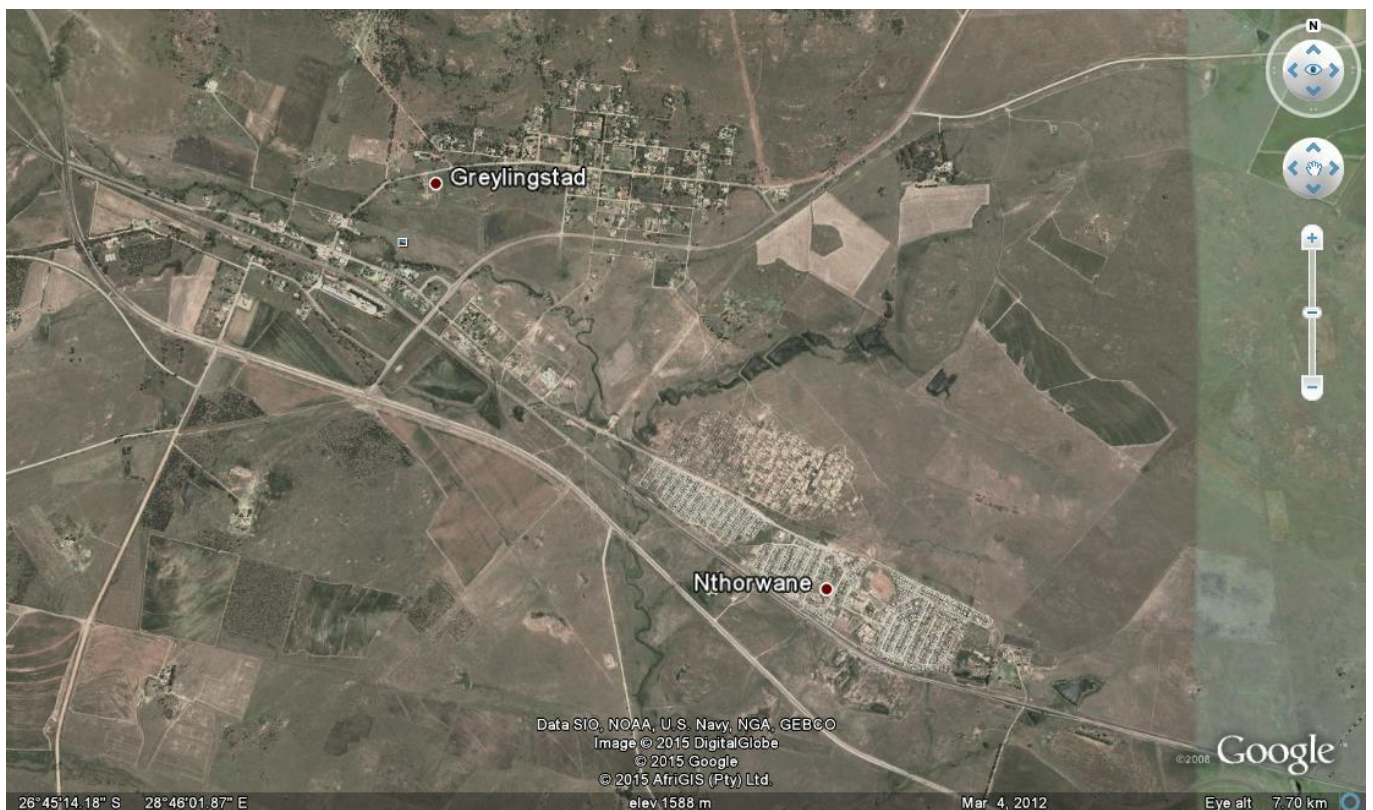


Figure 20: Nthorwane (and Greylingstad)

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Figure 21: Sheepmoor

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16. APPENDIX B: SUMMARY OF THE HOUSEHOLD EMISSION OFFSET PRE-FEASIBILITY STUDY

Eskom's exploration of air quality offsets started with a pre-feasibility study conducted by EScience Associates and the Nova Institute in 2013. The objective of this study was to determine the most feasible interventions to offset tall stack emissions from Eskom's power stations by reducing household emissions. Household interventions were selected based on the numerous scientific studies that show that in South Africa the main cause of harmful health effects due to poor air quality is the domestic burning of solid fuels.

An exhaustive list of household interventions was brainstormed, and kick-out criteria were then applied to reduce the list for detailed evaluation. The shortened list of interventions was then evaluated according to the following weighted criteria (Figure 22):

- Reduced human exposure to ambient PM₁₀
- Reduced human exposure to ambient SO₂
- Implementation cost attractiveness of intervention
- Success probability of intervention
- Government and Eskom Board acceptance of intervention
- Sustainability of intervention
- Household acceptance of intervention
- Indirect impact of implementation (long and short term)

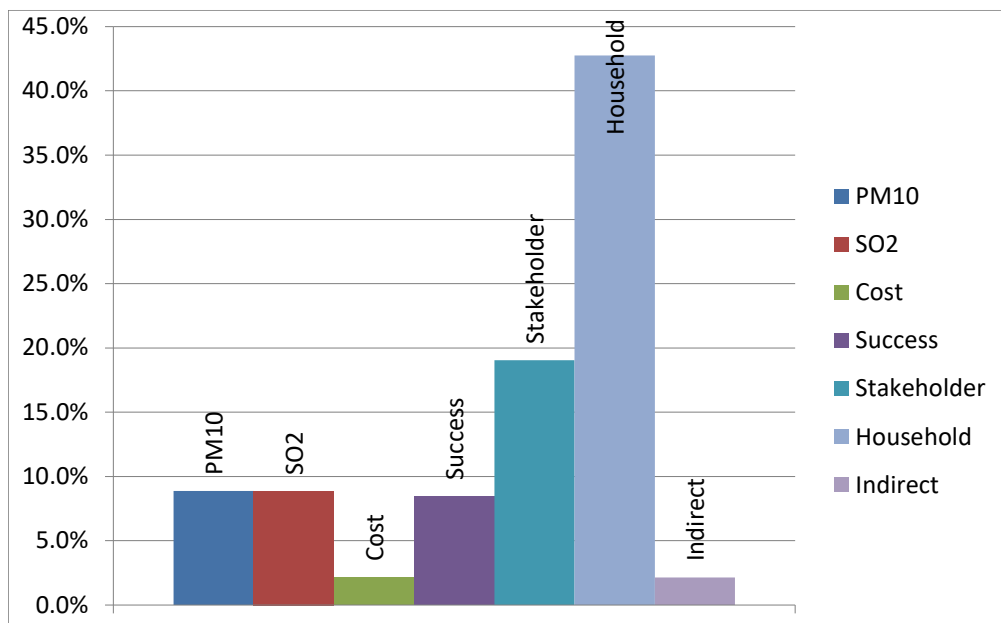


Figure 22: Weighting of the criteria used to evaluate the proposed offset interventions

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Households are considered to be the most important stakeholder, and their acceptance was identified as the most important criterion that would determine the success of the offset projects, followed by acceptance by licencing authorities and the Eskom Board.

The interventions recommended for further study, based on applying the weighted criteria (results in Figure 23) are:

- Retrofit full suite of thermal shell insulation (ceilings and three walls), draft proofing and Trombe wall on all existing subsidy houses [Full retrofit]
- Install ceilings in all formal houses [Ceilings]
- Optimise house size, shell insulation, ventilation, orientation and solar heat absorption for new subsidy houses and social housing [EE RDP]
- Replace coal / wood stove with multi-purpose, high quality, low emission stove [New stove]
- Electricity subsidy
- Gas subsidy with equipment [LPG subsidy & heater]

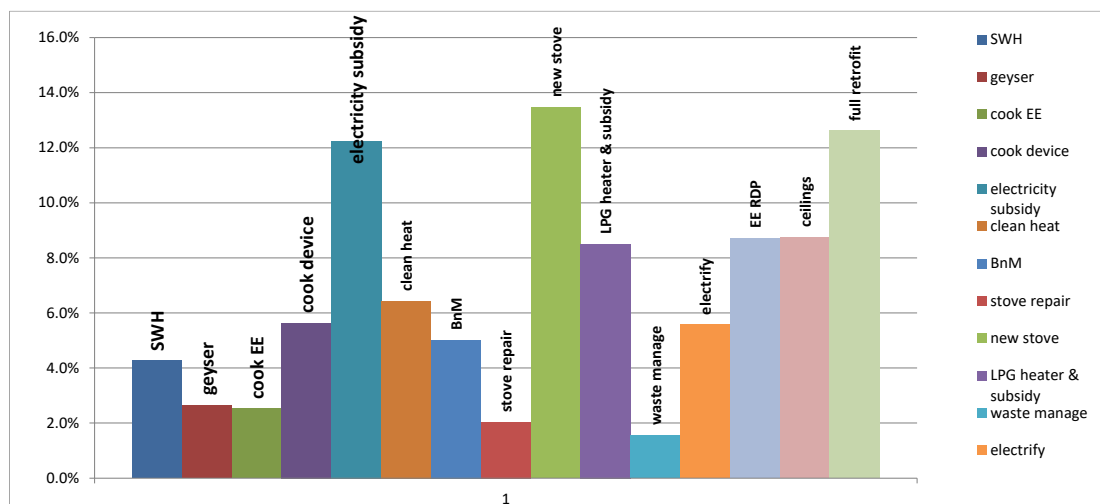


Figure 23: Result of applying the evaluation criteria (relative weighting on the y-axis)

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17. APPENDIX C: SUMMARY OF THE AIR QUALITY OFFSETS PILOT STUDIES IN KWAZAMOKUHLE

Following on from the pre-feasibility study, the next step in Eskom's air quality offsets journey was an air quality offsets pilot project, which was conducted in KwaZamokuhle (3 km from Hendrina town, Mpumalanga) from mid-2014 to end 2015. The project team was comprised of experts from the North-West University, the Nova Institute, the Council for Scientific and Industrial Research, EScience Associates and Prime Africa Consulting.

The most promising interventions identified in the pre-feasibility study were implemented at 120 formal houses: ceilings were installed at 60 of the houses, and the remaining 60 houses were fitted with a ceiling, insulation on three walls, and the north-facing wall was painted black and a Trombe wall was constructed to trap and store additional energy from the sun. Each of these houses was then either given an electricity subsidy for the winter months, or their coal stoves were swapped for a low emission stove, or their coal stoves were swapped for an LPG heater, stove and gas cylinder.

Prior to the roll-out of the interventions, a baseline assessment was conducted, including detailed surveys of most households in KwaZamokuhle and ambient air quality monitoring. In-depth community consultation was conducted both to inform the design of the interventions (we learnt that the community required the low emission stoves to be big enough to hold at least three pots, and the stove needs to be sturdy because there are often small children around, for example), and to educate the participating households on how to light low emission fires in the new stoves, how to cook with LPG, and how to use LPG safely, for example. Forty eight members of the local community were recruited and trained to conduct the surveys and implement the interventions.

Much was learnt about the energy use patterns, health and economic status of the community, and there were many practical learnings as to how the interventions can be improved (for example, moisture in the roofs stained the ceilings, so the ceilings need to be water resistant). Some of the most significant findings of the pilot study, which have informed Eskom's large-scale offsets implementation plan, are:

- 65% of households in KwaZamokuhle use coal. KwaZamokuhle and other similar communities in Mpumalanga thus have great potential for offsetting.
- Domestic coal burning is a significant source of pollution for KwaZamokuhle. A comparison between the ambient air quality in KwaZamokuhle and Hendrina, which is 3 km away and influenced by the same regional sources but does not have domestic burning, showed that PM10 and PM2.5 levels in KwaZamokuhle are between 2 and 5 times higher than in Hendrina during the early morning and evening (when households light fires). Average PM concentrations are twice as high in KwaZamokuhle than in Hendrina. A reduction in domestic coal burning thus should result in a noticeable improvement in ambient air quality.
- Participation rates in the pilot project were high. Of the qualifying households who were approached to participate in the roll-out, 66% agreed to accept a ceiling and low emission stove,

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88% agreed to accept a full insulation retrofit and low emission stove, 83% agreed to accept a ceiling and LPG appliances, and 87% accepted a full insulation retrofit and LPG appliances.

- Ceilings were the intervention received most positively by the residents. Not only do they improve the appearance of the houses, they also raise the minimum indoor temperature in winter by 4°C on average and keep houses warmer for 2-3 hours longer at night.
- Permanent uptake of the interventions was high. 100% of the ceiling and LPG households, 98% of the full retrofit and LPG households, 98% of the ceiling and low emission stove households, and 95% of the full retrofit and low emission stove households chose to keep their new stoves, rather than getting back their original stoves.
- The electricity subsidy did not bring about a shift from coal to electricity.
- Approximately 30% of dwellings in KwaZamokuhle are informal, and of these 90% use solid fuel for heating and cooking. An intervention which shifts inhabitants of informal houses away from solid fuel use will need to be found.
- Around 25% of households burn their waste, further contributing to the poor air quality, in spite of municipal waste removal services in parts of KwaZamokuhle.
- The participatory approach, which involves communication and consultation with the community and also recruitment and training of project staff from the local community, was very successful.

More information on the pilot project can be found in the paper presented by Langerman *et al.* at the National Association of Clean Air Conference in 2015.

Results of the 30 house pilot

At the conclusion of the 120-House pilot, the project team was requested by Eskom management to pilot test the feasibility providing household with electrical devices - stove and heater (rather than previous approach which involve provision of an LPG stove and heater). The pilot study was conducted on 30 households during 2017. The main objective of the pilot study was understand willingness of coal-using households to swap their coal stove for an electric stove, electric heater, energy efficient lighting and a full retrofit (wall and ceiling insulation plus draft proofing).

The results of the pilot study indicated that it was feasible to switch households from coal to electricity, however there were several risks raised, which would limit the success of an electricity-based

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intervention. To address the risks identified with the electricity based solution, recommended mitigation measures are detailed in the table below:

Table 13: Risks and mitigation measures for the electricity based intervention

Risk	Possible mitigation measures
Electricity interruptions due to faults or outages	This risk will be mitigated by the fact that an LPG backup will be provided. The project team will work with Eskom Distribution and the affected Local Municipality to strengthen supply in the area and limit interruptions.
Social unrest resulting from Eskom debt collection through municipality electricity cut-offs	Eskom customer services stakeholder engagement is assumed to address this issue. LPG back up also mitigates this risk.
Electricity price increases	Insulation of the houses will result in a lower or equal energy cost relative to the post-intervention situation. Electricity and Gas prices are likely to increase the extent of which is dependent on many factors e.g. health the economy and demand for the commodity.

Based on the results of the studies conducted to date it was concluded that ambient air quality in the affected communities could be improved by replacing household's coal stoves with electricity stoves and a heater plus an LPG backup together with retrofitting the ceiling to insulate the houses.

The recommended Air Quality Offset intervention for the lead implementation entails the following (Figure 10);

- Provision of a basic plus retrofit which consists of;
 - o Insulation entailing installation of a ceiling system and draft proofing
 - o Rewiring and issuance of Certificate of Competence (CoC).
- Stove swap which entails
 - o Provision of electricity based energy source with LPG backup. This will include a hybrid electric gas stove, LPG heater plus 2x9 kg LPG cylinders and CFL lighting.
 - o Removal and disposal of the coal stove

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Figure 24: Household Intervention for Lead Implementation Sites (KwaZamokuhle and Ezamokuhle)

Electricity is the cleanest source of domestic energy. Rather than providing an LPG stove, heater and cylinder in exchange for the household's coal stove, Eskom is now proposing to provide an electric stove and heater. The proposed changes have impacted the planned schedule for the roll-out of the interventions especially in Nkangala and Gert Sibande.

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