BASIC ASSESSMENT PROCESS FOR THE PROPOSED BATTERY ENERGY STORAGE SYSTEM, MELKHOUT SUBSTATION, HUMANSDORP

BACKGROUND INFORMATION DOCUMENT

srk consulting

MARW/SPET **BID No: 535611** **October 2018**

PURPOSE OF THIS DOCUMENT

This Background Information Document (BID) serves as notice (in terms of regulation 41(2) published in Government Gazette No. R982 under Section 24(5) of the National Environmental Management Act 107 of 1998) of the intent to construct a Battery Energy Storage System (BESS) at the Melkhout substation, near Humansdorp in the Eastern Cape Province.

This document will provide you with a brief description of the proposed project and the Basic Assessment (BA) Process that will be followed, as well as give you the opportunity to:

- **Register as an Interested and Affected Party (IAP); and**

  Notifications regarding the process and the availability of reports will only be sent to registered IAPs; and

- **Provide initial comments on any environmental, social and economic issue relating to the proposed development.**

  During the BA Process which will be followed, issues of concern and potential environmental and social impacts will be evaluated. Your comments will ensure that relevant issues are evaluated and will form part of the BA.

You are hereby invited to register your interest in the proposed activity and provide your input by completing the Registration & Comment Form at the end of this document and sending it (either via email, post or fax) to:

Wanda Marais
SRK Consulting
Postal address: P O Box 21842, Port Elizabeth, 6000
Fax: (041) 509 4850
E-mail: wmarais@srk.co.za

Your comments must reach SRK Consulting by **17h00** on **14 November 2018**, to ensure that they will be included and addressed in the Draft Basic Assesment Report. You may however, request to be registered as an IAP at any time during the BA process.

DESCRIPTION OF THE PROJECT

The Applicant, Eskom Holdings SOC Ltd, proposes to build a Battery Energy Storage System (BESS) system at the Melkhout substation, located near Humansdorp in the Eastern Cape, to optimise excess Independent Power Producer (IPP) in-feeds into the distribution network.

The proposed Melkhout BESS forms part of a broader Eskom project to deploy 1440MWh of storage capability into the South African electricity system at various locations around the country. The project is being rolled out in two phases, with Phase 1 targeting the completion of 800MWh (about 200MW) before 31st December 2019 and Phase 2 targeting 640MWh (about 160MW) shortly thereafter. Melkhout BESS is one of Eskom's pilot projects using this technology and is currently the largest proposed BESS to be developed with a planned capacity of 40MW/160MWh.

A BESS is a system that stores energy via the use of battery technology for it to be used at a later time. Several different battery technologies exist, and three of these have been selected by Eskom for potential use at Melkhout. These include:

1. Lithium ion;
2. Sodium sulphur; and
3. Redox flow.

Benefits of BESS include energy arbitrage, peak shaving, deferred capital investment, smoothing out renewables, voltage control, frequency control, power quality control, and back-up capacity.

Please note that more detailed information regarding the proposed project will be made available in the Draft Basic Assessment Report which will be available for public inspection and comment in due course. Only registered IAPs will be notified of its availability.

LEGAL REQUIREMENTS

The Basic Assessment (BA) process for this assessment will be conducted in terms of the National Environmental Management Act (Act 107 of 1998) (NEMA) 2014 EIA regulations (GNR 982, of 14 December 2014), as amended.

The NEMA 2014 EIA regulations (as amended) list activities that may have a significant impact on the environment, and which consequently require

environmental authorisation from the relevant competent authority. In this instance, the competent authority is the National Department of Environmental Affairs (DEA). The regulations further specify the assessment process, and the information that is required to enable the competent authority to make a decision regarding the activity.

The main activity (amongst others) potentially associated with the proposed project, calling for a BA process to be followed, is the following:

- *GNR 983 (Listing Notice 1) Item 27: The clearance of an area of 1 hectares or more, but less than 20 hectares of indigenous vegetation, except where such clearance of indigenous vegetation is required for – (i) the undertaking of a linear activity.*

WHAT IS A BASIC ASSESSMENT?

A Basic Assessment is a planning and decision-making tool used to identify the environmental and social consequences of a proposed project, before the development takes place.

The purpose of the BA is to describe the potential consequences of the proposed development in environmental, economic and social terms. Public issues and concerns must therefore be identified timeously so that these can be recorded and responded to in the BA. All comments received in writing are included in the submission to DEA for their consideration.

During the BA Process, a Draft Basic Assessment Report will be released. Once the public and authorities have had adequate opportunity to review the draft report and submit comments on its content, a Final Basic Assessment Report will be submitted to DEA for a decision.

PUBLIC PARTICIPATION

Public participation is the cornerstone of the Environmental Impact Assessment process. The principles of NEMA govern most aspects of Basic Assessments, including public participation. These include the ongoing provision of sufficient information (in a transparent manner) to Interested and Affected Parties (IAPs).

During the Public Participation Process, input from the proponent, technical experts, government authorities and the general public will be gathered to result in a better understanding of the project for all involved, and more informed decision-making throughout the process.

IAPs will be given the opportunity to comment on the findings of the Draft Basic Assessment Report and findings of any Specialist studies during the specified comment period.

To receive further communications regarding the development, please register by sending the completed and signed registration sheet at the back of this document to SRK Consulting.

BASIC ASSESSMENT PROCESS

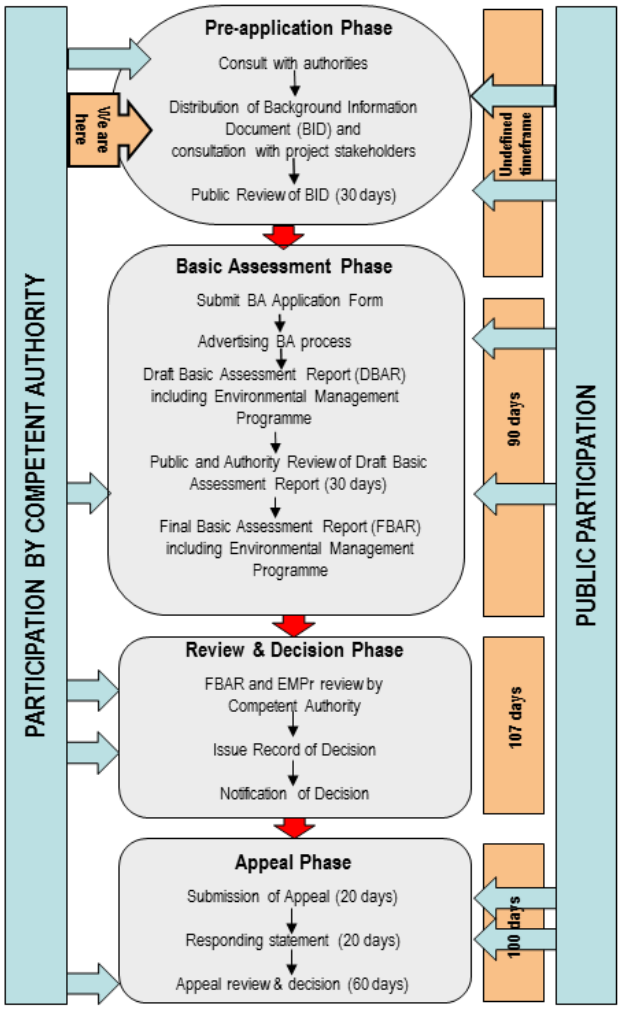

Figure 1: The Basic Assessment Process and stages where public comment will be invited

Who is doing the Basic Assessment?

In terms of the Environmental Impact Assessment (EIA) regulations, an independent Environmental Assessment Practitioner must be appointed to conduct the Basic Assessment. SRK Consulting has been appointed to conduct the Basic Assessment. SRK will identify and assess the potential environmental impacts associated with the proposed activity by conducting an objective and independent Basic Assessment in which all the relevant information and opinions of Interested and Affected Parties (IAPs) will be collected and passed on to the competent authority (Department of Environmental Affairs). In this way an informed decision-making process can take place.

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participation. These include the ongoing provision of sufficient information (in a transparent manner) to Interested and Affected Parties (IAPs).

During the Public Participation Process, input from the applicant, technical experts, government authorities and the general public will be gathered to result in a better understanding of the project for all involved, and more informed decision-making throughout the process. IAPs will be given the opportunity to comment on the findings of the draft and final reports, and findings of the specialist studies during the specified comment periods.

IAPs are hereby invited to comment on environmental, social and economic issues relating to the proposed project.

To receive further communications regarding this development, please register by sending the completed and signed registration sheet at the back of this document to SRK Consulting.

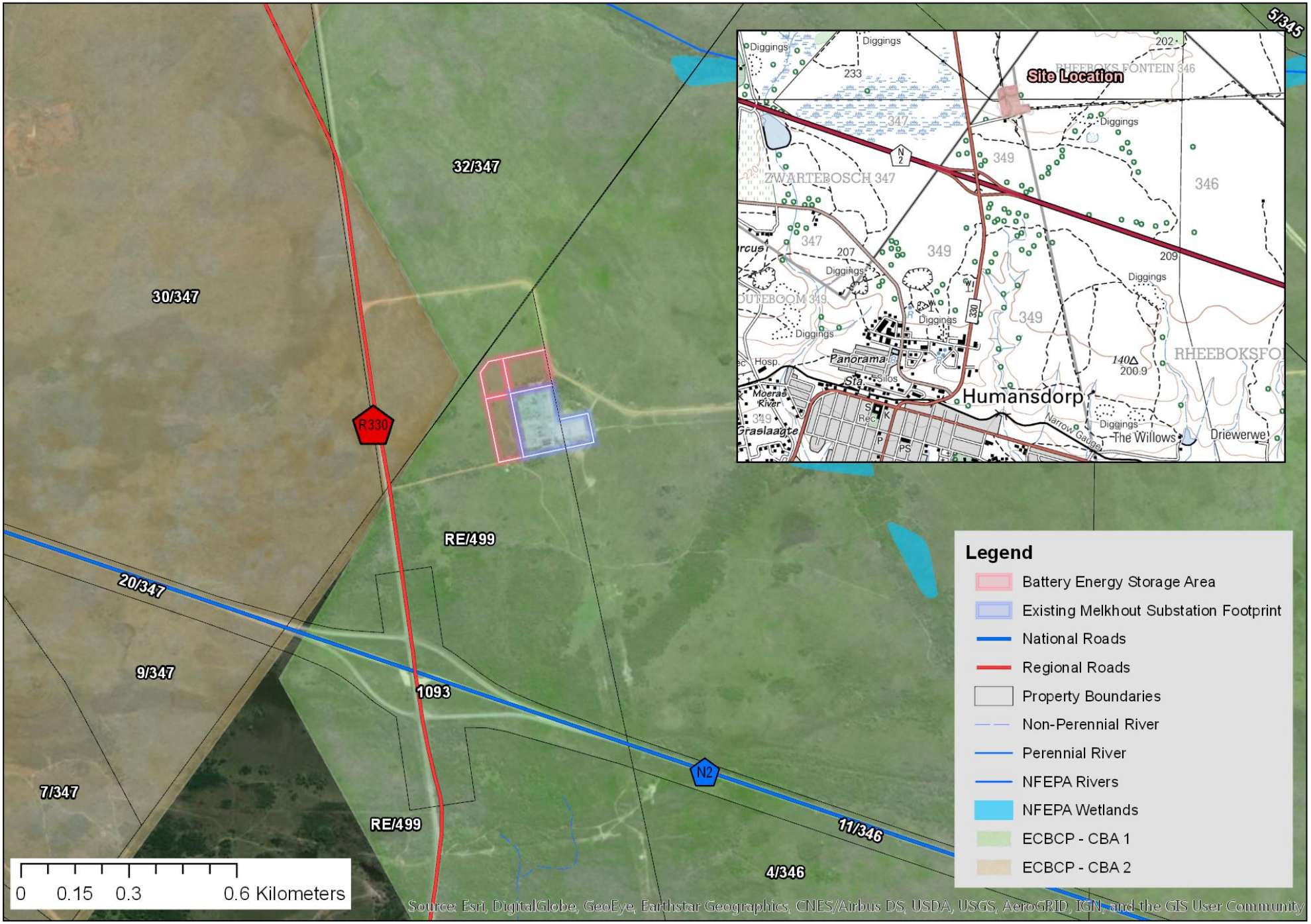

Figure 2: Locality of Melkhout substation

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REGISTRATION & COMMENT SHEET

BASIC ASSESSMENT PROCESS FOR THE PROPOSED BATTERY ENERGY STORAGE SYSTEM, MELKHOUT SUBSTATION, HUMANSDORP

Attention: **Wanda Marais**

Fax No: 041—509 4850

Email: **wmarais@srk.co.za**

I wish to register as an Interested and Affected party and/or bring to the attention of SRK Consulting the following comments.

Contact Information:	
Title:	Name:
Organisation:	Nature of Interest*:
Postal Address:	Telephone Number:
	Facsimile Number**:
	Mobile Number:
	Email**:

*The NEMA EIA Regulations, 2014, require that an IAP discloses any direct business, financial, personal or other interest in the approval or refusal of the application.
**Preferred method of communication. The absence of email / facsimile facilities may result in a delay in receipt of IAP notifications. Please write clearly.

Comments (please use additional sheets of paper if required):

I understand that, in the event of an appeal being submitted in response to the Competent Authority's decision to grant / refuse Environmental Authorisation, the appellant may require SRK to provide my contact details for purposes of IAP notifications as required by the National Appeal Regulations.

Signed: _____ **Date:** _____

Thank you for your participation