Report of the Portfolio Committee on Mineral Resources and Energy on the Oversight visit to Western Cape, North West and Gauteng Provinces, Dated 20 October 2022

1. **INTRODUCTION**

The Portfolio Committee on Mineral Resources and Energy (hereinafter, “PCMRE” or “the Committee”) undertook an oversight visit from 19 to 22 April 2022 to the Eskom’s Koeberg Nuclear Power Plant, Cape Town, Greater Kwa-Nonqaba Development Forum and PetroSA in Mossel Bay, the South African Nuclear Energy Corporation (NECSA), North West, and the Council for Geoscience and Mintek to take the Committee through the Acid Mine Drainage projects.

This report provides a detailed synopsis of the Committee oversight visits, as specified above.

1. **COMPOSITION OF DELEGATION**
	1. **Members of Parliament**

|  |  |
| --- | --- |
| **Name of Member** | **Political Party** |
| Hon. S Luzipo  | African National Congress (ANC) |
| Hon. MG Mahlaule  | African National Congress (ANC) |
| Hon. VT Malinga  | African National Congress (ANC) |
| Hon. M Wolmarans  | African National Congress (ANC) |
| Hon. K Mileham  | Democratic Alliance (DA) |
| Hon J Lorimer | Democratic Alliance |
| Hon. V Zungula  | African Transformation Movement (ATM) |
| Hon. P Madokwe  | Economic Freedom Fighters (EFF) |
| Hon T Langa | Economic Freedom Fighters (EFF) |
| Prof. CT Msimang  | Inkatha Freedom Party (IFP |

* 1. **Parliamentary Staff**

|  |  |
| --- | --- |
| **Name** | **Designation**  |
| Ms. A Boss | Committee Secretary |
| Mr. S Maboda | Acting Content Advisor  |
| Ms. V Makubalo  | Committee Assistant  |

1. **REPORT ON THE SITES VISITED BY THE COMMITTEEE**

This section of the report provides a synopsis of the oversight visits.

* 1. **Visit to the Eskom’s Koeberg Nuclear Power Station**

The Koeberg Nuclear Power Station is the only nuclear power plant in Africa. It has two nuclear reactors, often referred to as Unit 1 and Unit 2. The two units have a generation capacity of just over 1 800 megawatts (MW). The two nuclear reactors generate 5 percent of the country’s electricity. Unit 1 produced its first power in April 1984, and it reaches its lifespan in 2024. In addition, Unit 2 produced its first power in 1985, and is reaching its lifespan in 2025. In the Integrated Resource Plan 2019 (IRP2019), Government has committed to extending the lifespan of the Koeberg Nuclear Power Station by another 20 years – to 2045.

The visit to the Koeberg Nuclear Power Station was threefold. Firstly, it was about getting a briefing from the National Union of Mineworkers (NUM) on its grievances with Eskom. Secondly, it was about touring the facility. Finally, the visit was about receiving a briefing on the state of the country’s electricity generation capacity. It is important to note that this was a joint oversight visit with the Portfolio Committee on Public Enterprise (PCPE).

The Chief Executive Officer (CEO) of Eskom, Mr. De Ruyter welcomed the Committee. In his opening remarks, he provided a historical overview of the electricity generation challenges that South Africa is confronted with. Coincidentally, at the time of his briefing, stage 4 loadshedding had been announced. The CEO stated that the White Paper on Energy of 1998 had warned that electricity demand would outstrip supply post-2007 and that new generation capacity needed to be built in order to meet the future electricity demand. The policy direction provided for in the White Paper was never implemented – such as that no new capacity was added.

The above had resulted in poor maintenance of the electricity generation fleet. According to the CEO, poor maintenance was not a deliberate negligence, but there was no room to manoeuvre due to constrained generation capacity. Moreover, the delays in the implementation of the Independent Power Producer (IPP) procurement programmes, the exposure to State Capture, the damage of Unit 4 at Medupi Coal Power Station, and Industrial Action at Eskom had exacerbated electricity generation constraints.

All the above factors have led to where the country is today – implementation of loadshedding as a last resort to avoid a total blackout.

The CEO stated that some of the solutions to the electricity generation crises was to fast-track the existing IPP projects, so that capacity from them is brought online. Moreover, the National Energy Regulator of South Africa (NERSA) should simplify its requirements for less than 100 megawatts (MW) projects/plants. The extension of Koeberg Nuclear Power Station would assist. Municipalities should pay debt owed to Eskom – this would assist in offsetting the utilities liquidity challenges. Lastly, the CEO reiterated that the current process of Unbundling Eskom will assist in bringing about efficiencies in the utility.

### 3.1.1 BRIEFING BY THE NUM

The NUM was also afforded an opportunity to present the grievances it had regarding Eskom to the Committees. Mr. Mvovo, Eskom Western Cape (Full Time Shop Steward), presented the following key issues NUM had with Eskom regarding the Koeberg Nuclear Power Station:

**Exodus of Nuclear Plant Operators:** NUMindicated that it had raised its concerns with Eskom Management regarding a number of licenced nuclear operators who were leaving the company. The NUM alleges that the Management of Eskom never took this matter seriously, as they responded too late, arguing that at some point, the power plant only had one (1) nuclear operator.

**Steam Generator Replacement (SGR):** NUM believes that the Koeberg Nuclear Power Station is at the grave risk of forced shutdown, arguing that production is being prioritised over nuclear safety. The latter concern is on the basis that three (3) steam generators for Unit 2 of the power station, which were meant to be replaced this year, had been deferred to August 2023. Eskom had cited the risk of loadshedding if the generators were to be replaced during the winter months. On the contrary, NUM was of the view that the issue was not the risk of loadshedding, but lies with the contractor (Framatome) that is failing to meet the deadlines it had committed to. Similarly, three (3) generators for Unit 1 were due for replacement from October 2022. The NUM was worried that, the 3 generators had not yet arrived in South Africa. This created uncertainty regarding meeting the deadline.

**Suspicious Framatome Contract:** According to the Union,thecontractor (Framatome) for the SGR was appointed under suspicious circumstances, it was the only one who could meet the timeframe. The Union reported that the Chief Operating Officer (COO), Mr. Obenholzer, took the project away from the Koeberg team to Rotek, then gave it to ERI project management and Wilson Baily Holmes (WBHO). The project was close to completion. The Outage for Unit 2 started on 17 January 2022. The outage was going well, when the contractor suddenly saw problems. The CEO of Framatome came to site but had no interest in fixing the challenges. The SGR team was then told that the project would be two months late. This was already 55 days into the 155-day outage of the unit. The union objected to why the contractor was dictating terms to Eskom. The Union submitted a grievance to management regarding this, it has not been resolved to date. The Union stated that the COO and the Chief Nuclear Officer (CNO) had a meeting with the Framatome CEO, while the SGR team was the last to learn of this meeting. Management put pressure on Eskom to pay Framatome, but the employees did not agree to the payment of the company. Eskom was blamed for deferral of the project when in fact it was not Eskom but Framatome who was responsible for the deferment. The union called for an in-depth investigation into this matter.

### 3.1.2 Tour - Nuclear Plant Facilities

During the tour of the nuclear plant facilities, the delegate from Parliament was informed that, the cost for replacing Unit 1 and Unit 2 generators is R5 billion – this includes manufacturing and installation of the 6 generators. During the viewing, the Committees were interested in why South Africa could not manufacture the steam generators locally. It was reported that these units are manufactured and installed by Framatome, a French company, because South Africa does not have this capacity. In some instances, the installation is done by Framatome, supported by sub-contracted local companies. More details on the issues raised during the tour are summarised below:

* Once a steam generator is received, it takes a few weeks to finalise receipt inspection. To manufacture steam generators for a nuclear power plant, one needs to be registered with the National Nuclear Regulator (NNR). There are no South African companies which are registered to do this.
* When a steam generator arrives, it takes 3 months to prepare the unit as there was an elbow that needed to be welded to the SG. Once this is done, it is assigned to the unit and cannot be interchanged between units.
* Framatome has the unit made in China, while the forging is done in Japan. The SG comes in 9 sections from Japan and welded by the Chinese. As stated above, the contract for the SGR is R5 billion for the manufacture, design and installation for all 6 SGs. The whole project will be delivered for R5 billion.
* Eskom has maintenance contracts with Framatome, for maintenance and support. South Africa does not have capability for nuclear plant/steam generators as there are no other nuclear plants in the country. The contract with Framatome has a skills development set-aside.
* Local companies are involved in the SGR project. The SGR is still in the timeframe for August, waiting on arrival of the SG. It takes approximately 55-60 days to replace a steam generator. Each unit will get 3 new steam generators. The lifespan of the steam generators is 30-35 years, designed for 40 years.
* The SG usually run longer than 40 years with good maintenance, however every 10 years’ assessments are done on the nuclear power plant to see if the life span can be extended. If the SG is not replaced by 2024, there is a risk of the unit being shut down. There is a risk that the SG for Unit 2 will not be replaced by next year (i.e. 2023).

After the tour of the site, the delegation returned to a meeting venue, wherein it was going to receive Eskom responses pertaining to the NUM grievances, as well as a presentation from Eskom on energy sustainability. However, due to time constraints, the Committees resolved that the presentation, and the discussion on NUM submission be differed to a date to be determined by the two Committees.

On 30 August 2022, there was a joint follow up meeting to afford Eskom an opportunity to respond to the allegations made by the NUM. Eskom opted not to respond to the allegations, citing the issues raised by NUM were labour related and should be dealt within the recognised channels within Eskom. The Committees rejected the assertion of Eskom and defended the right of the Union to raise any matter which is in the interest of the public with Parliament. A decision was taken for Eskom to submit a written submission, which was presented in a subsequent meeting of the 27th of September 2022.

* 1. **Visit to Greater KwaNonqaba Development Forum and PetroSA, Mossel Bay**

On 7 February 2022, the Greater KwaNonqaba Development Forum (KDF), representing the Greater Mossel Bay Non-Governmental Organisations (NGO’s), Not for Profit Organisations (NPOs), Churches, and Small, Medium and Micro Enterprises (SMME’s) wrote a petition to the Speaker of the National Assembly, Ms. N Mapisa-Nqakula, requesting that the Committee visit the Community of KwaNonqaba in order to talk about challenges that are facing PetroSA, and the impact thereof on the host communities. For the fairness and completeness of the purpose of the oversight visit, the Committee invited the Executive Management of PetroSA to respond to the issues raised in the petition.

The Committee was welcomed by the Executive Mayor of Mossel Bay Local Municipality, Mr. Dirk Kotzé. According to Mr. Kotze, PetroSA plays an important role in Mossel Bay, citing that if PetroSA fails, the Municipality would lose R90 million per year. The Municipality is managing the desalination plant, in partnership with PetroSA. The contract has come to an end, to the tune of half a million worth of investment. With the financial challenges that PetroSA is confronted with, the Municipality is concerned that PetroSA is unlikely to renew the contract.

After the welcoming, the Chairperson of the KDF, Mr. Swartbooi, presented the concerns of the host communities. In the main, the KDF is concerned about the fact that whilst PetroSA is in Mossel Bay, the communities of Mossel Bay do not benefit from it. They had involved the Government in this matter, the Office of the Presidency, during the previous Administration. According to the KDF, a Presidential Report was submitted to PetroSA for implementation, but the implementation never happened. Mr. Swartbooi stated that stakeholder engagement by PetroSA is poor to non-existent. Mr. Swartbooi, in his submission, also emphasised a need for the PetroSA Head Office to be moved from Parow to Mossel Bay, and that the company in its recruitment process prioritises people who are from Mossel Bay. During the discussions, some Members of the Committee raised concerns about the latter stance of Mr. Swaartbooi, arguing that PetroSA is a National Company, and it is not a company for Mossel Bay. Mr. Swartbooi explained that, he fully understood the point raised, and acknowledged that some of the issues that he raised were out of frustration.

PetroSA, responded to the submission of the KDF and acknowledged that it was not aware of some of the issues raised by the KDF. The Central Energy Fund (CEF) Board Chairperson, Ms Noah, assured the KDF and the Committee that Government is committed to ensuring that PetroSA is not shutdown. Mr. Manne, PetroSA Acting Vice President: Manufacturing presented some of PetroSA key interventions to sustain the company, now and into the future. The key interventions that Mr. Manne presented were grouped into three areas of intervention, namely, Upstream, Midstream-Refinery, and Downstream.

**Upstream:** The two key components or focus areas in this regard concern negotiations with Total and how to use the remaining Tail gas. It was reported that technical negotiations with Total were at an advanced stage. Total had a deadline to apply for a production licence by the end of September 2022. Therefore, PetroSA hoped to sign a supplier agreement with Total by the end of June 2022. Regarding the tail gas, the company is working on gas to power, the aim is to use the remaining tail gas to generate around 150 MW of gas to power using the four turbines and export that power to the grid. PetroSA is looking at commissioning this work in 2024, and make revenue for the company. The working team with Eskom restarted. Pre-Feasibility level study had been completed. PetroSA is in the process of initiating Grid Access Study. The Renewal of Production Rights is also in progress.

**Midstream-Refinery:** Looking at gas importation as a back-up to Total. Both options, Total and Gas importation can technically be implemented by 2026. Preceding the commissioning of the refinery, would require 18 months to do refurbishment. Prior to this, the refinery would be mothballed, to ensure assert does not deteriorate further. According to Mr. Manne, this process is progressing well and that shutdown has been postponed and will be implemented approximately 18 months ahead of start-up of units.

**Downstream:** According to PetroSA, downstream is a key income generator in the short-term. There are two areas of focus the company is looking at, firstly to capacitate this part of the business and import skills that it does not have. Secondly, improve logistics capacity in Mossel Bay. Currently, PetroSA supplies petrol and diesel. It is looking at broadening its product portfolio, such as investing in liquefied petroleum gas (LPG), amongst others. PetroSA is limited because of the location of the single point mooring (SPM) in terms of the size of vessels and imports it can bring to Mossel Bay – this has a knock-on effect on competitiveness. Thus, the company is looking at moving the SPM into a deeper location, such as 2 kilometres offshore, in order to be able to bring bigger vessels. The company is also looking at increasing reliability of the SPM.

During the discussions, the Board Chairperson of CEF, together with some Committee Members, acknowledged the issues that the KDF had raised regarding PetroSA, but the main issue at hand was that PetroSA was in financial crisis. Thus, saving it as a priority would thus assist in addressing some of the community issues raised by the KDF. As a way forward on this matter, it was agreed that the CEO of PetroSA, the Mossel Bay Local Municipality Mayor and Municipal Manager and Community, through KDF and others, meet on 4 May 2022 to address the issues that had been brought forth by the KDF. Subsequently, a report on a way forward, emanating from the abovementioned meeting, has to be sent to the Committee by the end of June 2022.

**3.3 Visit to NECSA**

The Committee visited the South African Nuclear Energy Corporation (NECSA). Of particular interest for the Committee was the NECSA’s restructuring and repurposing of the company and its subsidiaries. Prior to the site visits, the Committee was welcomed by the Acting Board Chairperson of NECSA, Dr. Magau. The Chairperson of the Board had apologised as he was overseas at the time of the Committee’s visit. The CEO of NECSA, Mr. Tyabashe, delivered the presentation which focused on the entity’s turnaround strategy.

Governance at NECSA has been a challenge for many years, and this has resulted in the entity failing to submit its Annual Reports to Parliament, or consistently obtaining disclaimers on the audit outcomes. From the presentation and introductory remarks of the Acting Board Chairperson, it was clear that addressing governance was key to turning the company around. The NECSA Board was appointed at the beginning of 2020, and subsequently, the CEO, Mr. Tyabashe was appointed at the beginning of 2021. The CEO was tasked with repositioning and rationalising the organisation further improving governance, performance and financial sustainability. The CEO has, in turn, led the strategic reviewof NECSA Group, culminating in a Board-approved strategy, Corporate Planand Shareholder Compact**.** For a long time, NECSA had numerous vacant posts at the executive management level. The CEO, as part of strengthening governance, as well executing the turnaround strategy, appointed the executive managementteam to lead the implementation of the strategy. Thus, ten executive appointments were made, with only two posts vacant, namely for Power and Industry (P&I) and Integrated Assurance (IA). According to the CEO, the recruitment process for the two posts was underway. The rationalisation and restructuring of NECSA Group is well underway, with the capacity to deliver on the NECSA mandate in an integrated manner, while achieving growth.

The entity has been running on a loss for the past three years, with negative financial forecast into the future. However, the new strategy of the entity predicts profitability from the 2025/26 financial year, and indications from the CEO presentation were that this could be achieved much earlier than predicted. The following were highlighted of some of the flagship projects that would lead the organisation to become financially sustainable:

**Table 1: NECSA Key Projects Identified to Realise the Profitability Objective**

|  |  |  |
| --- | --- | --- |
| **Flagship Infrastructure Projects**  | **Strategic Capital Projects from Subsidiaries (short-to-medium term)**  | **Technology Pipeline Projects (medium-to-long term) include** |
| Multi-Purpose Reactor (MPR) | Radiopharmaceutical Facility Capacity Expansion (to increase radiopharmaceuticals market share) | Plasma-based Waste to Energy Technologies |
| PBMR transfer and expression of interest | NTP Cell 11 Replacement (redundancy to ensure continued radio-chemicals business) | Lithium Ion Battery Electrolyte (LiPF6) |
| Uranium Recovery | Hydrofluoric Acid Plant | Mining Shroud Detection  |
| Ketlaphela | Fluorine Plant | Cisplatin Diagnostic |
| Pelchem Turnaround |  |  |
| Pelindaba Masterplan |  |  |

**Source**: NECSA (2022)

The Committee was pleased with the report of NECSA on its plans to turn the company around. It argued that, the picture painted, was more positive than when the entity reported to the Committee for the first time in 2019. In 2019, there was even a breakdown between organised labour and the entity – the relationship has since improved, as confirmed by the National Education, Health and Allied Workers’ Union (NEHAWU) representative. Moreover, the restructuring and repurposing of the company will not involve any section 189 considerations.

A concern was raised that the financial forecast seemed unrealistic, however, NECSA assured the Committee that the forecast is not unrealistic, citing that the “proof of the pudding is in the eating”, meaning that the leadership must be given a space to prove that it can turn NECSA around.

**3.4 Visit to Council for Geoscience and Mintek**

The Committee visited the Council for Geoscience and Mintek in order to see the work that the two entities have been doing on the Acid Mine Drainage (AMD). The Committee was taken to an Acid Mine Drainage project that the CGS was involved in. Thereafter, the Committee went to Mintek, where a joint meeting was held with CGS and Mintek. Both Mintek and CGS presented their work on the AMD.

Acid Mine Drainage is the flow, or seepage, of polluted water from old mining areas. Depending on the area, the water may contain toxic heavy metals and radioactive particles. These are dangerous for people's health, as well as plants and animals. At times, the AMD is simply defined as ‘mine impacted water’. In South Africa, ADM is experienced in the Witwatersrand Basin and Mpumalanga Coalfields. The CGS, in its presentation, stated that gold mines are far below the water level, thus miners continuously had to pump the water. When the mines close, the pumping stops, resulting in the water being discharged to the environment.

In 2010, the South African Government appointed an Inter-Ministerial Committee (IMC) to investigate the major problem of acid mine drainage and recommend possible solutions. The team of experts was appointed to assist in researching and implementing some of the possible solutions that had been identified. The team of experts was drawn from the CGS, Mintek, Council for Scientific and Industrial Research (CSIR), Department of Water and Sanitation (DWS), Department of Mineral Resources and Energy (DMRE) and Water Research Commission. From an academic perspective, advisors were drawn from the Wits University, University of Free State, University of Fort Hare, and Tshwane University of Technology. The CGS was appointed by the IMC to coordinate the whole project. The IMC consisted of the DMRE, DWS, National Treasury, Department of Science, Innovation and Technology, and the Presidency.

Report of the IMC was released in December 2010 and the following recommendations were made:

1. ***Decant prevention and management:*** It was recommended that water levels in the Western Basins be held at or below the relevant Environmental Critical Levels (ECLs)[[1]](#footnote-1) by the pumping of water. This meant that water that was already at the surface in the Western Basin had to be pumped to lower levels.
2. ***Ingress Control: reduction of the rate of flooding and the eventual decant volume:*** It was acknowledged that pumping and treating water in the future would be costly. It was therefore seen as necessary to reduce the volume to water to be pumped and treated. Thus, ingress control was a recommended solution. It was indicated at the time that ingress control would be achieved by preventing the recharge of the shallow ground water above the mine void by the canalisation of surface streams, the sealing of surface cracks, and mine openings, etc.
3. ***Water Quality Management:*** It was admitted that even if the above measures are implemented, ADM would still be produced and require a treatment to a quality that is fit for a predetermined use, or for discharge to surface streams. Various treatment options and technologies, including active and passive *in situ* treatment technologies were identified.

It is against this background that the Committee visited Mintek and CGS to report on the work the two entities had done on the ADM. Below is a summary of the work that the entities have done in response to the IMC recommendations.

Dr Thakane Ntholi, Manager: Water and Environment, apart from showing the Committee the practical projects CGS had been involved in, presented the work the Council had done on ADM to date. The Council had started conducting research on ADM, as early as 2002. Since 2012, the entity had received an amount of R248 million from Government, in support of the ADM work. The work done included research, practical implementation and monitoring. About 40 scientists are reported to have been involved in the ADM work. The CGS work had focussed on *Ingress Control* (Committee was taken to a practical project), *Development of an acid mine drainage hotspot map*, *Exploration of various mine water treatment technologies (In situ and passive), Proposal of a comprehensive water management strategy for the Witwatersrand, and Development of regional closure strategies.*

As stated above, the Committee was taken through to some of the practical projects CGS had done, in Ekurhuleni, Modderbee (Cracks 1 and 2,) and Van Ryan Canal, Johannesburg. It is important to note that the Committee only visited Modderbee Cracks 1 and 2 projects. Table 2 below provides a summary of the CGS work on ADM and the impact thereof.

**Table 2: CGS Water Ingress Control Projects and Benefits**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project**  | **Year Completed**  | **Ingress Volume Prevented (ML/day)** | **Construction Costs (once of)** | **Annual Water Management Cost Savings**  |
| Modderbee 1 | 2016/17 | >0,5 | R500 000 | >R2 137 208,53 |
| Van Ryn Canal | 2018/19 | 14 | R11 000 000 | >R59 841 838,70 |
| Modderbee 2 | 2019/20 | 4,8 | R1000 000 | R20 517 201,84 |

**Source:** CGS, (2022)

As stated above, Mintek also does technological research on ADM, therefore it also presented its work on the ADM. Dr. du Preez, Ndlovu and Sikhwivhilu provided an overview of the work that Mintek has been doing on AMD. Mintek has been involved in the water research programme, whereby it researched technologies that can be used to treat mine impacted water (ADM). To this effect, demonstration technologies have been developed such as SAVMIN demonstration plant at Sibanye-Stillwater in Randfontein. The SAVMIN technology treats coal and gold mining impacted water. Other technologies include Ultra Filtration Membrane Technology which removes suspended solids, viruses and bacteria from water and wastewater.

Mintek also highlighted some of the support that it requires in executing its work. These included:

1. **Support for scale up and commercialisation of its technologies:** Mintek contends that it receives government funding for developing a technology. Put differently, the funding does not allow Mintek to develop a technology from the laboratory to the market (commercialisation). There was a proposal that if Government funds a pilot programme, for instance in the case of ADM, it must fund up to the level of project – such commercialisation. It was stated that Mintek receives about R250 million in Government grants. This is not sufficient to scale up the projects.
2. **Legislative support and directives:** According to Mintek, even for a demonstration plant one has to go through the legislative process of obtaining permits and licences. The authorisation process is lengthy, a bit of flexibility at the demonstration phase, through the form of ministerial directives, instead of the legislative process would assist.
3. **COMMITTEE OBSERVATIONS**

This section provides a synopsis of the key issues observed by the Committee, particularly emanating from the presentations, discussions, and the walkabouts in various sites.

### 4.1.1 Koeberg Nuclear Power Station

* The Committees noted with concern the reported delays and alleged corruption regarding the steam generator replacement project at Koeberg nuclear power station.
* The Committees observed with concern the allegations by the Union that the contractor, Framatome, responsible for the replacement of the steam generator had not delivered on its contractual obligation however it continued to be paid.
* It also noted the allegations that Managers that were responsible for the steam generator project were suspended to protect the French based company.
* Members raised a concern regarding the Koeberg Nuclear Power Station safety issues and the likelihood of its license being renewed.

### 4.1.2 KwaNonqaba Development Forum and the PetroSA

* The Committee was pleased with the proposed interventions presented by the PetroSA, to turn the company around.
* The Committee noted that the KwaNonqaba Development Forum and the PetroSA had reached an agreement on how to resolve the issues raised by the Forum.
* The Committee noted the impact of the closure of the PetroSA refinery on the Mosselbay local community.
* Members raised a concern regarding the lack of frequent and constant communication by PetroSA with the municipality and community.

### 4.1.3 NECSA, CGS and MINTEK

* The Committee was pleased with the progress reported by the NECSA Executive on the restructuring and the repurposing of the Company.
* Members raised concern regarding delays with the replacement of the Safari reactor with the Multi-Purpose Reactor (MPR), which might have a negative impact on the delivery of products.
* The Committee raised concern regarding the lack of coordination between state-owned entities, eg Pelindaba and PetroSA, who requires specialised equipment for the up keep and maintenance of the GTL plant.
* The Committee was pleased with NECSA’s flagship projects, however, concerning though was the fact that, to date, an offtake agreement between Ketlaphela Pharmaceuticals, the Department of Health and National Treasury had still not been signed.
* The Committee was pleased with the Pelindaba Master Plan.
* The Committee welcomed the fact that in the restructuring and repurposing of NECSA, there will be no section 189 considerations.
* The Committee observed with concern, the poor state of the NECSA facilities infrastructure, with fence falling off, in some instances.
* The Committee was impressed by the technological innovations capabilities of Mintek, NECSA and CGS, although it also noted the challenges of scaling up and commercialising the technologies.
* The Committee noted with concern safety issues when the employees are on sites, to either conduct research or do practical projects. There are instances where workers are reported to have been held hostage or beaten up while on duty in mining areas.
* Whilst the Committee appreciated the improved collaborations between the entities of the DMRE, it noted that more work could be done to enhance and strengthen the collaborations.
* The Committee noted the impact on electricity supply of the delays in bringing online additional capacity from the IPPs.
* It also noted the legislative challenges experienced regarding requirements for the applications to NERSA for projects less than 100 MW.
1. **COMMITTEE RECOMMENDATIONS**

The Portfolio Committee, having conducted the oversight visit, recommend that:

* By the end of June 2022, PetroSA submit Preliminary Report to the Committee on its engagements with the KwaNonqaba Development Forum and the Mossel Bay Municipality**. [NB: This Report has been received]**.
* A Joint follow-up oversight visit to Koeberg power station for an in-depth investigation on the serious allegations of corruption at the plant be conducted.
* NECSA to send a summary report of the work it does with Eskom on the Koeberg Nuclear Power Station.
* NECSA to consider doing and submitting to the Committee a visual presentation of the waste to energy technology.
* The Minister of Mineral Resources and Energy, in collaboration with other relevant Ministers ensure that the Offtake agreement regarding Ketlaphela Pharmaceutical is signed, as a matter of urgency.
* The National Energy Regulator of South Africa should ensure that it simplifies the requirements for projects less than 100 MW.
* The Department to prioritise the safety of the employees when conducting research and doing practical projects in mining sites.
* The Department should ensure proper coordination between the different spheres of Government when projects are being handed over by the implementers.
* The Minister of Mineral Resources and Energy continue to improve, strengthen and enhance collaborations between the entities of the Department that are doing similar work.

**Report to be considered.**

1. The environmental critical level is defined as the highest water level within the mine void where no AMD flows out of the mine workings into the surrounding groundwater or surface water systems. [↑](#footnote-ref-1)