

MV Mahlangu
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Date:
20 November 2018

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Submitted via E-mail:

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Ref: Draft for public comment

Dear MV Mahlangu

RE: APPLICATION FOR VARIATION OF ATMOSPHERIC EMISSION LICENSE IN TERMS OF SECTION 46(1)(d) OF THE NATIONAL ENVIRONMENTAL MANAGEMENT: AIR QUALITY ACT (ACT 39 OF 2004) FOR KENDAL POWER STATION

1. Eskom refers to the above matter and herewith requests variation of the Kendal Power Station Atmospheric Emission Licenses (reference number 17/4/AEL/MP312/11/15) (the AEL), in terms of Section 46(1)(d) of the National Environmental Management Air Quality Act, 39 of 2004 (the Act).
2. Eskom assumes that no delegations were made by the Licensing Authority in terms of Section 36(2) of the Act. Eskom has further not been advised of any interventions in terms of Section 36(3) of the Act.

3. Should Eskom's information in this regard be inaccurate, the Nkangala District Municipality is hereby requested to advise Eskom in that regard without delay.
4. In terms of the Integrated Resource Plan it is intended to decommission Kendal Power Station between 2038-2043.
5. The extent of the amendment sought is as follows:

Current emission limits according to section 7.2 of Kendal Power Station's Atmospheric Emission License are:

Table 1: Existing emission limits as listed in Kendal's current AEL

Pollutant Name	Maximum release rate		
	Limit value (mg/Nm ³)	Date to be achieved by	Average period
PM	100	1 April 2015	Daily
	50	1 April 2020	Daily
SO ₂	3500	1 April 2015	Daily
	2600	1 April 2020 – 31 March 2025	
	500	1 April 2025	
NO _x	1100	1 April 2015	Daily
	750	1 April 2020	Daily

It is requested that the emission limits in section 7.2 of Kendal's Atmospheric Emission License be changed to Table 2:

Table 2: Requested emission limits based on a daily averaging period

Pollutant Name	Maximum release rate		
	Limit value (mg/Nm ³)	Date to be achieved by	Average period
PM	100	1 April 2020	Daily
	85	1 April 2025	
SO ₂	3500	1 April 2020	Daily
	3000	1 April 2025	Monthly
NO _x	1100	1 April 2020	Daily
	750	1 April 2025	Monthly

In summary Kendal is requesting:

- i. Postponement of the new plant standard for PM between 1 April 2020 to 31 March 2025 and an alternative daily limit of 100 mg/Nm³ and an alternative daily limit of 85 mg/Nm³ for PM from 1 April 2025 until decommissioning (2038 - 2043). (The PM technology upgraded

- planned for Kendal will only be completed by 2025 and is not guaranteed to meet the 50 mg/Nm³ new plant limit);
- ii. Postponement of the new plant standard for SO₂ and an alternative daily limit for SO₂ of 3000 mg/Nm³ from 1 April 2025 until decommissioning (2038 - 2043) (A pilot to test SO₂ reduction technology is planned for 2022, this date may be moved due to funding constraints however);
 - iii. A postponement of the NO_x new plant limit and an alternate limit daily limit of 1100 mg/Nm³. From 1 April 2025 Eskom requests a monthly limit of 750mg/Nm³ until decommissioning (2038-2043) (NO₂ levels in the area are in general compliance)..
6. Based on the remaining life of the Kendal power station, the techno-economics and cost benefits assessment shows that any additional measures other than what was committed to above is not financially viable. Due to financial and coal logistic issues at Eskom, there is an initiative to bring in coal from the Waterberg for use at Kendal as Medupi currently has excess coal on its coal stockyard which could impact on emissions and this has been considered to an extent in this application.
7. It is requested that the proposed alternative limits only apply during normal working conditions, and not during start-up or shut-down, upset conditions and maintenance periods.
8. The above request is based on the assumption that the postponement application is granted as requested and further that no amendments to the regulations are effected within the next five years. In the event that the NAQO issues a decision not in line with Eskom's original postponement application or in the event that any amendments to the relevant legislation occur, Eskom reserves its rights to seek further amendments or variation to Kendal's license.
9. The variation requested will, if approved, not comply with the Minimum Emission Standards as set out in GNR 893 of 22 November 2013 ("the Regulations") as amended in GNR 1207 on 31 October 2018 ("GNR 1207") which was promulgated in terms of Section 21 of the NEMAQA. GNR 1207 provides for transitional arrangements in respect of: a once off postponement with the compliance of minimum emissions for new plant for five years from the date of issue, no once off postponement will be valid beyond 31 March 2025; a once off suspension for plants being decommissioned by 31 March 2030; the National Air Quality Officer may grant an alternate emission limit or emission load if certain conditions are met. The application for any of these requests must be submitted by 31 March 2019.
10. In view of the above, Eskom has submitted an application to the National Air Quality Officer (NAQO) for postponement from specific MES compliance timeframes and propose alternative limits for Kendal as required in terms of GNR 1207. If approved as per the application, it will result in Eskom not being bound by the MES, for the period (5 years) during which the

postponement is granted but will be bound by the proposed alternative limits per application. As such, the Nkangala District Municipality will, for that additional period of postponement, remain in a position to determine an emission standard to which Eskom must apply, exceeding that reflected in the MES.

11. The Postponement Application and this application are materially linked in that the rationale for variation of current emission limits in the AELs as well as the rationale for the Postponement Application are substantially the same. Accordingly, and in order to facilitate clear communication to stakeholders and in pursuance of the objectives of cooperative governance and integrated decision making reflected in, amongst others, the National Environmental Management Act (Act 107 of 1998), this Variation Application and the Postponement Application are supported by the same motivational documentation:

- Annexure A, a copy of the AIR prepared in respect of Kendal. The AIR provides, *inter alia*, an assessment of how ambient air quality is likely to be affected by Kendal's requested emission limits by utilising, *inter alia*, atmospheric dispersion modelling;
- Detailed justifications and reasons for the application (as per Section 5 of the Kendal postponement application document); and
- A comprehensive report on the public participation process followed, and associated documentation (Annexure D)

12. In terms of Paragraph (13) of the Regulations, the NAQO is required to obtain the concurrence of the Nkangala District Municipality before granting the Postponement Application. As such, we assume that the official process of consultation and cooperative decision making between the Nkangala District Municipality and the NAQO is either underway or imminent.

13. In terms of timing, Eskom is required to submit an AEL variation request parallel to the MES postponement application. The variation request is prepared based on the assumption that the requested MES postponement and alternative limits is granted by the NAQO. As already mentioned above, if the NAQO decision is substantially different from the requested once off suspension and alternative limits and postponement, Eskom reserves its right to amend its variation request.

14. It is Eskom's considered view that the supporting documentation clearly indicates that the approval of this Application will result in limited health impacts on affected communities and that this Application is not only reasonable, but that it also stands in the national interest due to techno-socio economic reasons. As such, should the Nkangala District Municipality require any additional information or clarification on any material or procedural aspects

regarding this Application or its supporting and motivational Annexures, please do not hesitate to contact Bryan McCourt at any time, this in particular, if the Licensing Authority identifies any aspect of the application which it believes may jeopardise its likelihood to be met with approval.

For any questions, please do not hesitate to contact Bryan McCourt (Tel +27 11 800 2414).

Yours sincerely

Deidre Herbst

ESKOM ENVIRONMENTAL MANAGER

Date