

Eskom head: "No secret nuke deal"

By  Nicci Botha

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Despite persistent conspiracy theories and media speculation, Eskom's nuclear boss is adamant there is no secret plan or corruption linked to the nuclear plan.

"I'm constantly asked, 'show us the nuclear plans you've signed with the Russians' and I say, 'I can't do that. I don't have one. I don't know of a secret plan'," said Dave Nicholls, chief nuclear officer: Eskom.



Koeberg nuclear power station. Source: Eskom

He also reaffirmed the power utility's position that nuclear is not just the most viable option on the table for South Africa's future energy needs, but it is also the most affordable. "Koeberg is the only CO²-free electricity source in South Africa. Cape Town's power is the cleanest in the country, and Koeberg has the lowest operating costs in Eskom's fleet."

What will replace coal?

When it comes to far-future planning, the new technologies have not yet demonstrated reliability. For instance, there is no guarantee yet that there is shale gas in the Karoo, and there are still storage problems when it came to renewables, Nicholls said.

“The coal-fired plants built in the ‘70s are running out of life, but they are still operating. What’s going to replace them?”

“Short of invading Angola or the DRC, hydro isn’t really an option.” He pointed out that even though the Cahora Bassa hydro scheme was successful, all the jobs and skill development – which is an important consideration – are external, in Mozambique.

This only leaves two viable technologies – coal and nuclear. The former is under pressure due to environmental concerns, so the latter is the only real alternative to replace the current despatchable baseload, he said.

The nuclear deal

In 2014 South Africa signed intergovernmental agreements with among others Russia and China as part of the multi billion rand nuclear built plans. Yet recently the Western Cape High Court found these agreements lacked transparency prompting the government to go back to the drawing board for a new and more transparent process.

Responding to questions on corruption claims with the nuclear deal, he said, “If you have multiple deals with small little contracts you tend to get lots of opportunities for corruption, because procurement is compartmentalised.” But according to Nicholls, the deal will likely be Eskom contracting with overseas state organisations with a government to government loan system – something that will minimise opportunities for corruptions.

Nicholls told delegates that there are claims that the uranium market is the “ideal place for corruption in the nuclear deal, but it is important to understand uranium is not the big money spender in this deal”. He referred to the coal contracts and said it can be argued in the Eskom coal fire power stations the big money driver is the cost of coal. He said with the nuclear deal, the cost of uranium is the lesser cost driver.

“Uranium is traded like oil and the price is pretty much an international standard number. So if you ask me about that, I would not go for uranium to claim corruption in the nuclear deal,” he said. “My advice to the industry is that if you believe corruption will come into the nuclear deal it will not be based on the uranium supply, it would be based on something else.”

Nicholls participated in a panel discussion on the country’s nuclear positioning at Nuclear Power Africa conference that was co-located with the annual [African Utility Week conference](#).

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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