

George Biomass Power plant gets green light

■ Pauline Lourens

The construction of a R300-million George Biomass Power plant producing between 5MW/h and 7MW/h (megawatt per hour) could begin as soon as May this year. All plans and approvals are in place and Murray & Roberts has been appointed as the engineering, procurement and construction (EPC) contractor. The biomass/wood waste fired power plant could be up and running by May 2018 and would feed the electricity generated via a George Municipality substation into Eskom's power grid.

Karl Siegel, spokesman for the lead developer, South African company MBHE African Power Pty Ltd, told the *George Herald* planning of the George Biomass Power plant already began in 2008, but stalled while getting all the necessary governmental approvals and agreements in place. Eventually, in April 2016, the green light was given after Nersa issued a Generation Licence for the operation of the power plant. During a meeting in George last week, Siegel said the Nersa licence was issued after they had successfully submitted a bid for the project to the Department of

Energy (DOE) under their Smalls Independent Power Producer (IPP) programme. Thirty-seven companies in the DOE's various renewable energy programmes experienced delays due to issues between the DOE and Eskom, but it seems these have now been resolved.

Land

George municipal spokesperson, Chantel Edwards-Klose, confirmed George Biomass Energy Pty Ltd has bought three municipal-owned industrial erven (22496, 22497 and 22498) in PW Botha Drive to the west of Steinhoff Park through George Municipality's Local Economic Development (LED) Department.

George Biomass Energy Pty Ltd will obtain sawdust and wood waste from Steinhoff (PG Bison and Woodline), Houttek, AET and Geelhoutvlei in George as well as PSP Timber in Oudtshoorn, which will be used as fuel for the boilers.

Wood Supplies

Siegel said a projected forecast for wood supply shows that there is enough wood waste in the Garden Route region to supply the plant for the twenty-year duration of the offtake agreement with Eskom. "One of our largest biomass/fuel partners in the project is Chris

McDonald of Houttek. He will manage the supply from smaller producers of wood waste/sawdust in the area. The construction materials for the plant are currently being stored on his premises in Meul Street, George Industria."

Green light

The project has been given all the necessary green lights and an Environmental Impact Assessment (EIA) as well as an Environmental Management Plan (EMP) have been approved, said Siegel. "According to the dates given in the letter from DOE, we should be operational by the middle of 2018. Stock piles of biomass, if properly managed, can be kept for a number of years without any major environmental risk," said Siegel, referring to the recent controversy in which a local company objected to the large-scale stockpiling of sawdust on neighbouring premises due to the air pollution threat. He said the plant will use modern technology that complies with all regulations pertaining to emissions in accordance with European standards.

It is anticipated that at a later stage, ash produced by the plant may be used to make bricks for housing through a local community upliftment project.



Karl Siegel of MBHE and his partner, Tafadzwa Mhlanga of Tirisano, at Steinhoff Industrial Park, which adjoins the land where the George Biomass plant will be established. Photo: Pauline Lourens

The financing of the project through IDC and Mergence will take place in accordance with the Small Renewable Energy Independent Power Procurement Programme (REIPPP).

REIPP Procurement Programme is scheduled for financial close on 11 April 2017 with the signing of the power purchase agreement between George Biomass Energy Pty LTD and Eskom along with the IPP Office of the Department of Energy. George Biomass Energy Pty Ltd is owned by a South African consortium including MBHE,

Murray & Roberts, Tirisano Green Capital, Built Africa's Coastal Biomass 1 and the CEF (Central Energy Fund). Financial close involves a very long and intricate process of approvals which, once achieved, culminates in the signing of a power purchase agreement (PPA) with Eskom now set for 11 April. This is the final step to be taken by the department of energy (DOE) before construction of the plant can start. Once the document has been signed, George Biomass Energy Pty Ltd has just over 14 months to complete construction.