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MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

NATIONAL ASSEMBLY: QUESTION NO 82 FOR WRITTEN REPLY

A draft reply to the above question asked by Mr. S B Huang (ANC) is attached for your consideration.

Also please find enclosed information and background document for your perusal.

DIRECTOR-GENERAL (Acting) DATE:

DRAFT REPLY APPROVED/AMENDED

MRS BEE MOLEWA, MP
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

DATE: 2013/04/14

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 82

<u>DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 5 MARCH 2013</u> (INTERNAL QUESTION PAPER NO. 5)

- 82. Mr SB Huang (ANC) to ask the Minister of Water and Environmental Affairs:
- (a) What challenges are being experienced with Phase 2 of the Mokolo and Crocodile River (West) Water Augmentation Project (MCWAP-2) and
- (b) How is the Department of Water Affairs addressing these challenges?

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REPLY:

The MCWAP is a most important strategic project as it will enable the continued power (a) supply to the country. It is situated in the Waterberg area in the Lephalale Municipality. an identified growth point in the Limpopo Province. It forms part of the Infrastructure Development drive and the associated Strategic Integrated Project (SIP) initiative launched by government. The water demand for the anticipated energy developments in the Lephalale area and the consequential secondary and tertiary developments exceed the water availability in the Mokolo River Catchment. In addition to optimal utilisation of the existing Mokolo Dam and other local sources, the preferred option to augment water supplies to these developments is the utilisation of surplus return flow from the Crocodile River (West) Catchment. Water used in the northern parts of Gauteng (Johannesburg and Pretoria) is mainly supplied from the Vaal River Catchment and return flows are then discharged into the Crocodile River and its tributaries. This source can be further augmented by return flow currently draining into the Vaal River system by transferring it to the Crocodile River Catchment. These are increasing resources due to the rapid urban growth in the metropolitan areas of Gauteng. The coal extracted is immediately saleable positively benefiting energy security, economic growth, resulting in job creation, tax revenue and social infrastructure. In order to achieve social and economic development in the area, critical infrastructure is needed including water, rail development, township development, etc. to unlock the potential.

It is considered of national interest that the substantial *power generating capacity* of Matimba and Medupi Power Stations will need to be supplied with water from more than one water resource. The power supply will be too vulnerable in a drought situation if it is dependent on only one water source, i.e. the Mokolo Dam on the Mokolo River. The water supply from the Crocodile River using the Phase 2 infrastructure that will utilise return flows, mainly from the Northern parts of Gauteng, is considered as a more reliable source than the natural run-off in the Mokolo River. It is thus extremely important that both Phase 1 and Phase 2 be implemented as a matter of priority. That will limit the risk to the *energy security* of the country.

(b) The Strategic Integrated Project (SIP-1) team formed to unlock the mineral wealth in the Limpopo Province has already submitted a strategy report to the PICC seeking guidance on the way forward to align government's initiatives such that it would unlock the stumbling blocks preventing progress on the MCWAP-2. Officials of my Department and the TCTA are members of the SIP-01 Integration Committee meeting on a regular basis

to address the challenges. My department also contributed to the compilation of the report that was tabled during the past PICC meeting. The resolutions of PICC are not yet available. DWA has informed the SIP-01 team that the decisions are urgently required to advance the project.

TCTA facilitates a monthly stakeholder meeting with the identified off-takers and DWA to determine the proposed water transfer scheme capacity (based on demand), finance and funding strategy (based on committed off-take agreements), pricing of water, licenses and other regulatory requirements, integration with other SIP-1 developments, etc.

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