

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
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Mr D C Ross (DA) to ask the Minister of Finance:

With regard to his budget speech in February 2014, (a) why was there no mention made to financial provision relating to President Zuma's State of the Nation Address announcement of the expected procurement of 9600MW of nuclear energy, (b) was he aware of the procurement of this additional nuclear energy and (c) will the National Treasury allocate funds for nuclear power; if so, what (i) amount and (ii) will be the time frame of this allocation?

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REPLY:

R843.8 million has been appropriated in the Nuclear Energy programme in the Department of Energy's budget for 2014/15. This provides for the National Nuclear Regulator; the Nuclear Energy Corporation; and policy and regulatory work in the Department.

- a) No decision has been made yet on the financing mechanism for the capital costs of generation infrastructure. No budget allocation is required from the fiscus.
- b) The Integrated Resources Plan 2010 provides for an energy mix that includes coal, gas, hydro, nuclear, and renewable technologies. The IRP2010 specifically provides for the procurement of 9600MW of nuclear power. Procurement of any energy generation technology will need to follow a fair, equitable, transparent, competitive and cost-effective process in compliance with the Constitution and the prescripts of the PFMA.
- c) As indicated above, the construction of electricity generation plants need not be funded on the budget but rather through debt which is later paid off with the revenue earned from customers paying for the electricity that they consume.