

# EGI SEA: Socio-Economic Assessment

ERG Meeting  
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# Socio-Economic Assessment: Dr Hugo van Zyl & Tony Barbour

Each corridor described using 2001 and 2011 Census data:

- Population numbers,
- Population growth (2001 to 2011),
- Population density,
- Unemployment levels,
- Electricity service provision levels
- Key towns and broad land uses



# Strategic Development Considerations:

## Key Question:

- *What advantages and disadvantages do the corridors and concomitantly streamlined authorisation of strategic electricity grid infrastructure development within the corridors present to national, provincial and local economies?*
- Given its critical importance to socio-economic development, it makes sense to plan ahead for the installation of EGI and ensure that it can be delivered within a reasonable and predictable timeframe. The declaration of the proposed EGI corridors and associated changes to environment authorisation process requirements would hold **key advantages at a strategic level** focused on (1) streamlining and (2) the provision of greater certainty or clarity regarding the future roll-out of EGI.

# Strategic Development Considerations:

## Streamlining:

- Reduced risk of important development projects being delayed or even cancelled
- Enhanced ability of system to bring new power into the grid efficiently and as soon as this power is available
- Shorter authorisation processes allow for more efficient budgeting and associated financing.
- This should reduce the overall costs of electricity provision. They should also assist with the more accurate projection of likely revenue flows from electricity sales also resulting in benefits

## Certainty:

- Corridor areas are those areas where there is a high likelihood that transmission lines are going to be necessary in the future regardless of whether corridors are declared or not.
- This is due to their position relative to future electricity generation and demand areas. The declaration of the corridors therefore provides greater certainty and forewarning of an outcome that is most likely to happen anyway

# Impacts on Power Generation, Industry & Mining

## Key Question:

- *What opportunities or challenges do the gazetting of strategic corridors, where Eskom plan to expand the EGI network, present to industry, both energy intensive and IPPs?*
- The advantages would facilitate improved planning and enhanced dealings with Eskom for the **power generation, industrial and mining sectors** in particular resulting in cost savings and other efficiencies with economic benefits.
- Key need of these sectors will be access to timely and accurate information about intended development within the corridors and how the declaration of the corridors will affect them.
- Eskom should thus engage with the relevant representative bodies for these sectors with a view to drawing up an appropriate and clearly understandable information package and dissemination plan in this regard. (SANEA, SAIPPA, SAWEA, SAPVIA, SASTELA, SAAEA, BUSA, EIUG)

# Impacts on Tourism

## Key Question:

- *What opportunities or challenges do the gazetting of strategic corridors, where Eskom plan to expand the EGI network, present to the tourism sectors?*
- The declaration of corridors would provide some level of increased certainty to the tourism sector regarding the broad areas (i.e. 100 km corridors) where future major transmission lines and other EGI are likely to be constructed.
- Enhanced information for planning should be positive for the tourism sector as a whole.
- However, at a local scale, the reaction of those in the tourism industry to this information may be an avoidance of expansion or new investment in corridor areas. Generous corridors widths of 100 km should limit risks. Nevertheless, there are likely to be instances where the risk of investor avoidance of areas could be higher (e.g. pinch points)
- The avoidance of protected areas (incl buffers and expansion areas), game farms, private nature reserves, visually sensitive areas and areas of high heritage and ecological value as per the sensitivity mapping exercise should assist with limiting tourism risks.

# Impacts on Tourism

- A key need of tourism industry stakeholders will be access to timely and accurate information about intended development within the corridors and how the declaration of corridors will affect them. With respect to corridor declaration, a fine balance will need to be struck between the provision of information that is accurate and useful to tourism industry participants and providing information that misinforms and has the potential to raise unnecessary alarm.
- Eskom should therefore engage with the relevant representative bodies with a view to drawing up an appropriate and clearly understandable information package and dissemination plan in this regard.
  - South African Tourism (SAT) along with its provincial and local affiliates
  - The Southern African Tourism Services Association (SATSA)
  - The Federated Hospitality Association of Southern Africa (FEDHASA)
  - The Tourism Business Council of South Africa (TBCSA)
  - The South African Leisure Tourism and Hospitality Association (SALTHA)



# Impacts on Property Values

## Key Question:

- *What is the risk for a devaluation or escalation of land prices in the corridors and if so, how could this be managed?*
- The declaration of corridors in areas which are the mostly likely location for transmission lines in any event would essentially assist the **property market** to function more efficiently by providing information to market participants that is pertinent to their property purchasing and sale decisions.
- While a better functioning property market is a positive, declaration is also likely to result in risks to existing property owners in the corridors. In particular, buyers looking for properties with high aesthetic values may seek to avoid the corridor areas if possible.



# Impacts on Property Values

- Having established that there may be risks, it is extremely difficult to come to an overall conclusion regarding the actual level of risk. The width of the corridors should, however, ensure that risks are kept low.
- With regard to the corridor declaration process, a key need of property owners and property market participants will be access to timely and accurate information about potential development within the corridors and how the declaration of corridors will affect them.
- Eskom should therefore engage with the relevant representative bodies with a view to drawing up an appropriate and clearly understandable information package and dissemination plan in this regard. Engagement can start with the South African Property Owners Association (SAPOA)

# Public Participation - Gazetting

- The majority of people are not aware of and or familiar with the gazetting process. Majority of people do not have access to and or provided with information on what is being gazetted and how they can comment as part of the process.
- It is therefore recommended that the CSIR and Eskom develop and implement a public awareness programme aimed at informing the public and key stakeholders in advance of the gazetting process.

# Public Participation - Gazetting

- The awareness programme should aim to inform the broader South African public and key stakeholders of the importance of expanding the countries EGI and establishing the five identified EGI corridors.
  - The process to identify and select the five EGI Corridors;
  - The location, size (100 km wide) and extent of the 5 EGI Corridors
  - The objectives of the SEA, specifically with reference to the Infrastructure Development Act and the streamlining of the Environmental Assessment Process (Basic Assessments vs. Environmental Impact Assessments);
  - The proposed Assessment Process that will be undertaken to identify suitable sub-corridors within each of the five EGI Corridors;
  - The Government Gazetting process. This includes information of when the proposed EGI Corridors will be Gazetted, how the public can obtain copies of the Gazette and how the public can comment on the information contained in the Gazette.
  - The public awareness programme should be implemented well in advance of the proposed date for Gazetting.

# Public Participation - Gazetting

The focus should therefore be on organisations and institutions that represent the interests of potentially affected landowners and affected stakeholders, such as:

- Local Farmers Associations and Unions;
- Relevant Provincial Departments, such as Agriculture, Nature Conservation, Economic Development and Planning etc.;
- Relevant District and Local Municipalities. The information should be sent to the Municipal Manager and key departments, including Integrated Development Planning, Local Economic Development, Spatial Planning, etc.;
- Relevant Tourism, Eco-Tourism and Heritage Organisations;
- Relevant Hunting Organisations;
- Relevant Conservation Organisations (Government and Private);
- Relevant Non-Government Organisations, including WWF, WESSA, etc.

# Public Participation - BA

- Public participation at a project level
- 2 stages:
  - Identification of preferred alternative
  - 30 day comment period on the BAR

# Thank you

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