

South Africa: Power Utility Chairman Comments On Pebble Bed Modular Reactor Project
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[Report by Solomon Makgale: "Pebble bed partnership talks skip to a halt"]

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Pebble bed partnership talks skip to a halt

Solomon Makgale

Johannesburg - Talks between Eskom, the power utility, and a foreign partner about acquiring a 5 percent stake in the developmental stage of the R432 million pebble bed modular reactor (PBMR) project had fallen through.

This was said yesterday by Jan de Beer, the chairman of PBMR.

De Beer, who is also chief executive of Eskom Enterprises, the unregulated business division of Eskom, declined to disclose the partner's name because the negotiations might resume at a later stage.

Had the deal been successful, it would have increased the number of international partners in the project to three.

De Beer said this left PBMR's international partners - Exelon, a US-based utility, and British Nuclear Fuel (BNFL) - with an option of increasing their stakes in the project from 10 percent to 12,5 percent and 20 percent to 22,5 percent, respectively.

"Everything looks good and I am very confident that they (Exelon and BNFL) will exercise that option," he added.

Exelon and BNFL were not available for comment yesterday.

Eskom holds 30 percent, while the Industrial Development Corporation, the state-owned financier, has 25 percent of the project.

The remaining 10 percent is reserved for an economic empowerment partner, which Eskom plans to introduce later this year.

The 10 percent stake is estimated to be worth between R120 million and R130 million.

De Beer said a provisional process to be followed when bringing in a black empowerment group on board had just been approved by the board of the PBMR company.

He maintained there was still a very strong interest in the project internationally.

The company had already received tentative orders.

"In fact, with the US running short of generation capacity, were looking at accelerating the international programme," he said.

"There is a very strong possibility that the first demonstration plant would be constructed outside South Africa."

The PBMR project is still going through a public comments stage and is awaiting an environmental impact assessment.

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