

First boiler column set at the 4800 MW Medupi power plant

A Milestone for the Supply of Energy in South Africa

Duisburg, 18.01.2010. It is the first major milestone on the way to a more stable and environmentally compatible supply of energy in South Africa. The talk here is of the first boiler column which was set down at the Medupi site for the future 4,800 MW utility power plant on Saturday 16 January. Over the next few years, a total of 12 bituminous coal power plant units will arise at Medupi, which is some 350 kms away from Johannesburg, and at another site (Kusile) which, on their completion, will ensure an almost 20% share of the overall supply of electricity in South Africa. Together with South African subsidiary Hitachi Power Africa (pty) (HPA), Hitachi Power Europe GmbH (HPE) is supplying the utility steam generators (boilers) for these two projects. The order volume amounts to around EUR 4 billion.

At the end of 2007/start of 2008, the Duisburg energy plant constructor – a subsidiary of Hitachi, Ltd. – received the order from Eskom, South Africa's state-owned energy supplier, to design, construct and commission 12 utility steam generators each of a 800 MWe capacity. These key components will be erected at the two power plant sites of Medupi and Kusile (Limpopo province) by 2016/ 2017. After some two years of groundwork, which has seen HPE/ HPA, for instance, constructing considerable manufacturing capacities in South Africa and training large numbers of skilled workers, the first boiler column setting ceremony marks the first milestone reached.

Medupi is the first new bituminous coal power plant that has been constructed in South Africa for over 25 years. The 6 utility steam generators being built there have a high operating efficiency and are considerably more efficient than existing plants. As less fuel (coal) is needed for the same capacity, the power plant units emit less carbon dioxide and can be run more economically. "The use of the most up-to-date technology thus conserves valuable resources and substantially cuts back on emissions", said Klaus-Dieter Rennert, Chief Executive Office of HPE. "This is of decisive significance for countries with pronounced economic growth rates,

such as South Africa, which are dependent on an assured and environmentally compatible supply of energy."

At the same time, the Medupi project and the identically designed utility steam generators for the Kusile location include far more than just installation and commissioning. HPE and HPA are also undertaking considerable investments in people and machines on the spot. For instance, around 60% of the order volume remains in the country as local value added. A host of components which make up a utility steam generator (including pressure parts and steelwork sections) are manufactured in South Africa and over 1,400 South African workers are being qualified. In addition, there are some 300 trainees who, in cooperation with local sponsoring organizations, are trained in technical occupations and trades. This will enable them to find qualified jobs even when the construction project is over. Some 3,000 jobs have been created up to now on the project site and in the component supply companies.

The next few months will see the boiler supporting structure being put up for the first power plant unit in Medupi to be followed by construction of the actual utility steam generator. As for the rest of the units at Medupi, they will go up one by one separated by several months in-between. Going on stream at the beginning of 2016 will be the final utility steam generator – this will be the case for Kusile in 2017.

"The two projects at Medupi and Kusile represent just the start of our long-term commitment in South Africa and the neighboring countries", according to Klaus-Dieter Rennert. "In this region there is a considerable demand for the construction of highly efficient power plants and the firm will to see it through. This is a potential which we intend to exhaust to the full with our expertise and excellent products - and that includes environmental protection."

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• Hitachi Power Europe GmbH (HPE), a subsidiary of Hitachi, Ltd., designs and constructs fossil fuel-fired power plants and, with its references, is one of the market and technology leaders. The energy plant constructor also supplies key components such as utility steam generators, environmental technology equipment, turbines and pulverizers. The company has been based at the Inner Port in Duisburg (North–Rhine Westphalia) since 2007 and has a workforce (including associated companies and manufacturing facilities) numbering approximately 1,900. Within the Hitachi Group, Hitachi Power Europe is responsible for the markets in Europe, the former CIS states and in Africa.

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