

Transnet may operate gas storage facility for energy firm

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Sunrise Energy is on the verge of signing a terminal operator agreement with Transnet for its liquefied petroleum gas (LPG) facility planned for Saldanha port in the Western Cape, director Barthlo Harmse said on Monday (19 November).



Sunrise Energy plans to build and operate an LPG bulk importation and storage facility at the Saldanha port. The project is expected to meet growing demand for LPG in the Western Cape.

Harmse said a terminal operator agreement with Transnet National Ports Authority would be signed by year-end.

The agreement deals with port and berth access for LPG importation, utilities and levies, servitude charges, and legal and commercial terms to use the Saldanha port.

"It is one of the most important and complex agreements to conclude and we are pleased with the progress," Harmse said. "There are no more hurdles to overcome.

Further, Sunrise Energy had made progress on the environmental impact assessment process for the project's land and marine portions. It expected records of decisions for the land portion in January.

Harmse said the company was evaluating the responses to its request for tenders for the LPG storage facility for the phase 1 development. A single ultra-large storage bullet was 60m long and 7m in diameter.

"There will be five of these," Harmse said. "Enquiries are being adjudicated with the intention of selecting the preferred bidder within the next four weeks."

Sunrise Energy was likely to draw a short list in two weeks' time and start with the negotiations thereafter. Local and foreign companies responded to the call.

Harmse said the project was on schedule.

"We will do detailed facility design in the first quarter of next year. Construction will begin in the second quarter."

Sunrise Energy was pleased with the Department of Energy's move to review the maximum refinery price of LPG, Harmse said.

The move would provide the necessary stability for companies to build LPG importation terminals.

The company was further pleased with the department's plans to roll out LPG cylinders that form an essential part of the supply chain to the end consumers.

Harmse said the new facility had attracted interest from most of major local and regional gas distributors. "We are confident that we will reach the commercial throughput volumes. This is an open access facility and people (who) still want to participate must contact Sunrise Energy to ensure their throughput capacities nominated (are) incorporated into the design.

"This is important since the design for phase 1 of the facility will be frozen within the next two months."

Harmse said anyone involved in gas distribution could use Sunrise Energy facilities to import LPG.

"The interest has been from local distributors as well as those from neighbouring countries such as Namibia, Botswana and Zambia," he added.

Source: *Business Day* via I-Net Bridge

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