

Fabrication of Bullets for LPG Import Terminal Underway

The fabrication of the Storage Bullets for the Sunrise Energy LPG Import Terminal in Saldanha Bay is well underway, with the first of the five bullets to be constructed in Phase 1 of the project being near to completion.

These bullets are being manufactured by Elgin Engineering, on a site in Saldanha, in close proximity to the Sunrise Energy Terminal where they will eventually be installed. Each bullet has dimensions of approximately 70m length by 7m diameter and is being fabricated in accordance with the most stringent safety standards, in compliance with ASME VIII.

The storage bullets are the largest pressure vessels known to have been manufactured in the southern hemisphere and in Africa. They are a key component to the LPG Import Terminal, which will comprise of a Multi-Buoy Mooring System in Big Bay, Saldanha, a transfer pipeline to the receiving storage on site and the LPG dispatch facilities for the offtake of the LPG from the terminal. This facility is an open-access terminal, accessible to distributors and throughput customers wishing to utilise the terminal for the import of LPG into the Western Cape. This terminal will address LPG supply shortages and will provide for a cleaner, cost-effective alternative energy source, mainly utilised by the domestic sector (low, medium and high income households) and the commercial sector.

Unfortunately, the Sunrise Energy project is being hampered by regulatory issues and any further major construction activities have been placed on hold subject to the resolution of these. Placing the project on hold has been necessitated by several issues, including pricing uncertainties created by the South African regulatory environment. A competitor company, Avedia Energy, who did not participate in the original tender process for the Saldanha Terminal, is appealing the Sunrise Energy Section 56 Terminal Operator Agreement through the Ports Regulator and is attempting to have the concession set aside for no apparently viable reason. Additionally, NERSA has awarded a construction licence to Avedia Energy, who is attempting to force an interconnection to the Sunrise Energy offloading pipeline in order to create a parallel import terminal for their own use. These issues undermine the commercial viability of Sunrise Energy and have contributed to the delays experienced in the construction of this project.

The Sunrise Energy LPG Import Terminal is a SIP5 project and a critical infrastructure project for the region. Sunrise Energy aims to re-commence construction of the Terminal in February 2015, subject to specific regulatory challenges being addressed. The terminal will be fully operational by mid-2016.



Figure 1: Fabrication of an LPG Storage Bullet in Saldanha



Figure 2: One of 20 cans which will be welded together to form a single LPG Storage Bullet