



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

# MINISTRY IN THE PRESIDENCY FOR ELECTRICITY

Ministerial EAP Update

**Dr Kgosientsho Ramokgopa**  
**Minister in the Presidency for Electricity**  
**20 August 2023**



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REPUBLIC OF SOUTH AFRICA





# GENERATION PERFORMANCE

Generation performance for the week 14 Aug 2023 to 18 Aug 2023

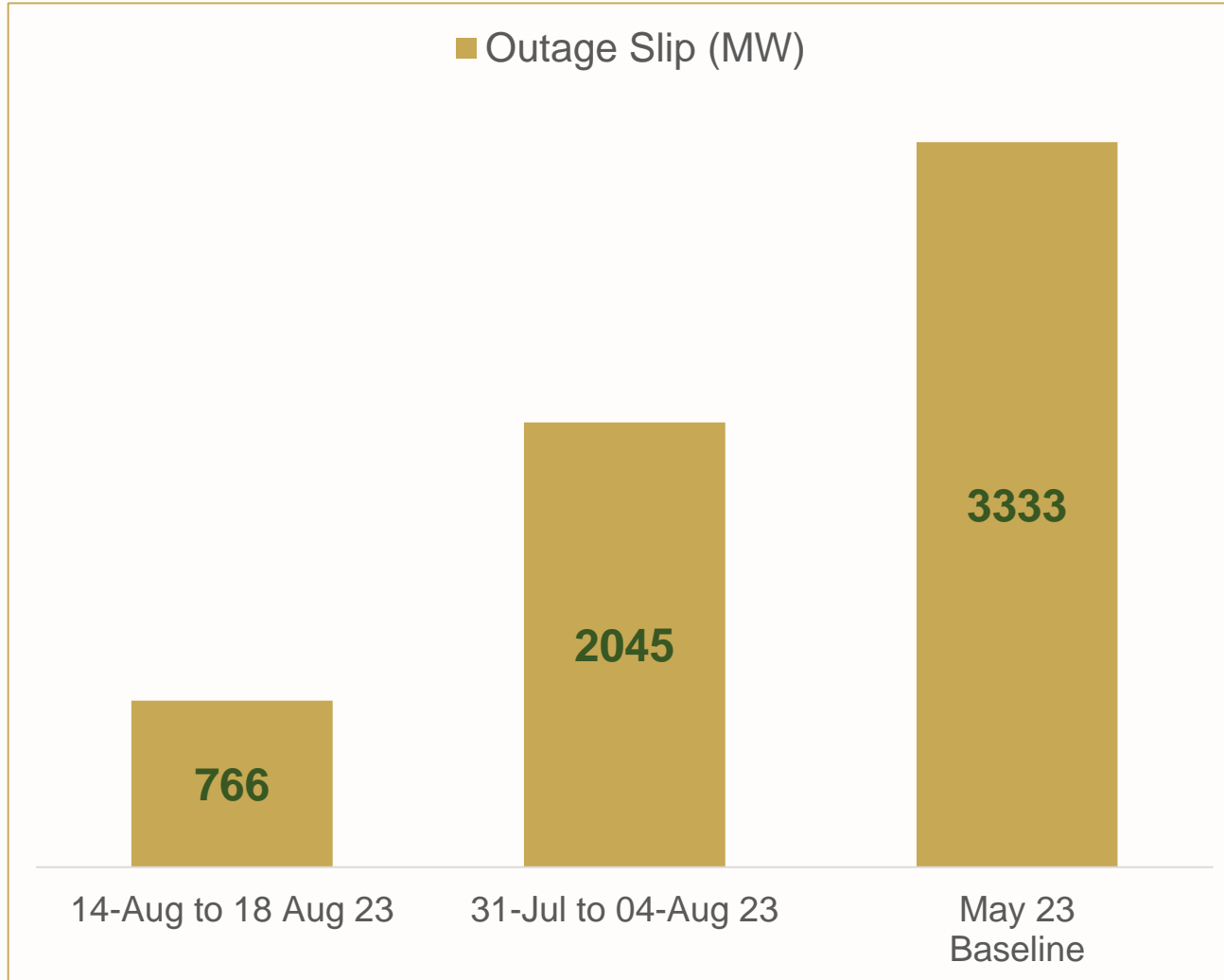
## GENERATION OUTLOOK FOR PERIOD 14 AUGUST TO 18 AUGUST 2023

| Date<br>(08:00 daily) | Capacity<br>Available<br>(MW) | Planned<br>outages (MW) | UCLF, Partial<br>Losses &<br>outage delays<br>(MW) | Partial Load<br>Losses (MW) | p.m. peak<br>forecasted<br>(MW) | Units at Risk<br>(MW) | Outage Slip<br>(MW) | Load<br>Shedding<br>Stages<br>(range) |
|-----------------------|-------------------------------|-------------------------|--|-----------------------------|---------------------------------|-----------------------|---------------------|---------------------------------------|
| 14-Aug-23             | 28593                         | 3932                    | 15449  | 6504                        | 29594                           | 6477                  | 766                 | Stage 1/3                             |
| 15-Aug-23             | 28456                         | 3921                    | 15605  | 6658                        | 29270                           | 7402                  | 766                 | Stage 1/3                             |
| 16-Aug-23             | 28637                         | 2963                    | 16385  | 7390                        | 29143                           | 7402                  | 766                 | Stage 1/3                             |
| 17-Aug-23             | 28114                         | 5220                    | 14612  | 5995                        | 28979                           | 7089                  | 766                 | Stage 1/3                             |
| 18-Aug-23             | 27386                         | 5600                    | 14884  | 6102                        | 28242                           | 6739                  | 766                 | Stage 1/3                             |
| <b>Average</b>        | <b>28237</b>                  | <b>4327</b>             | <b>15387</b>                                       | <b>6530</b>                 | <b>29046</b>                    | <b>7022</b>           | <b>766</b>          |                                       |



# GENERATION PERFORMANCE

Generation performance for the week 14 Aug 2023 to 18 Aug 2023 (5 day average)



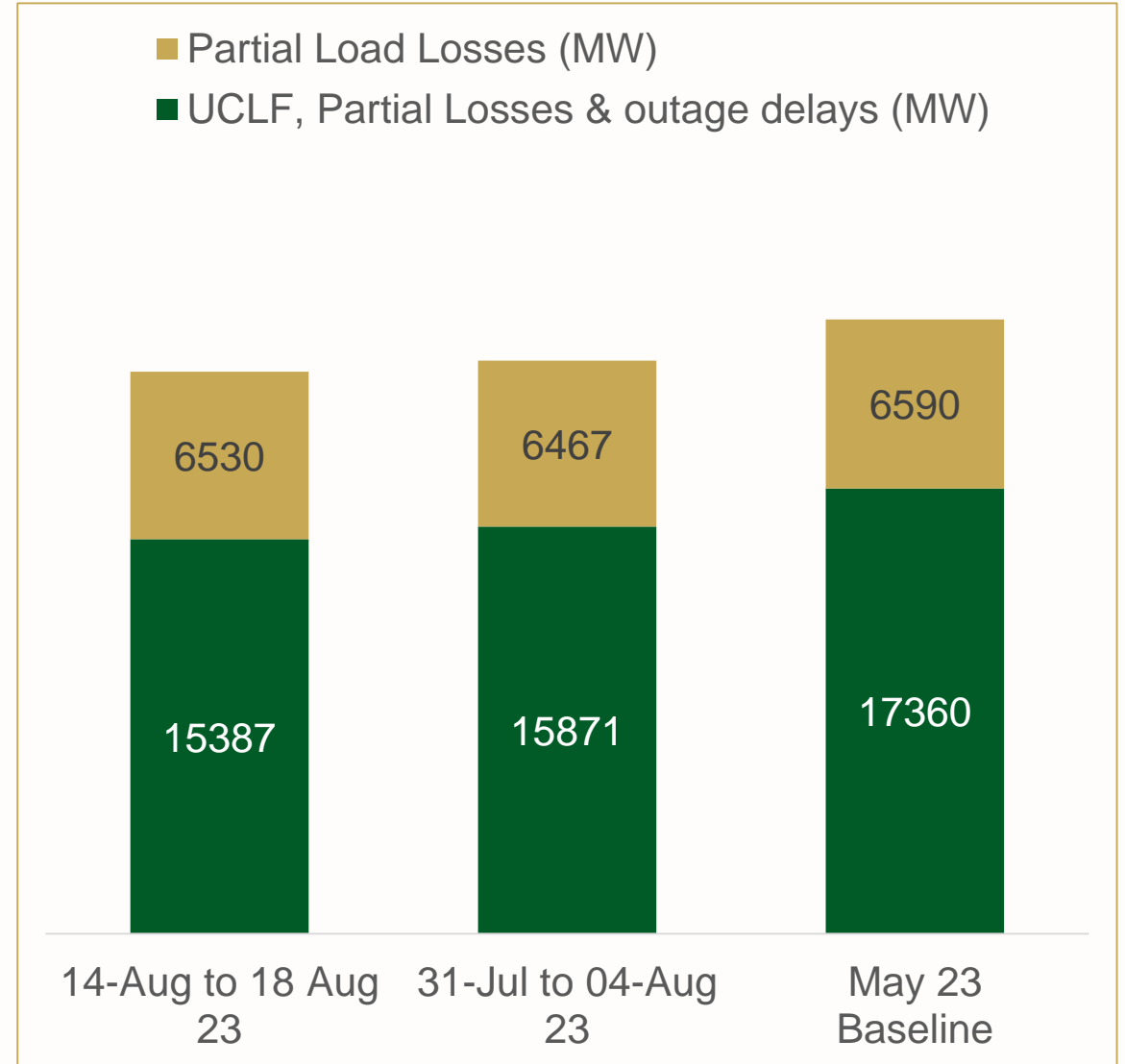
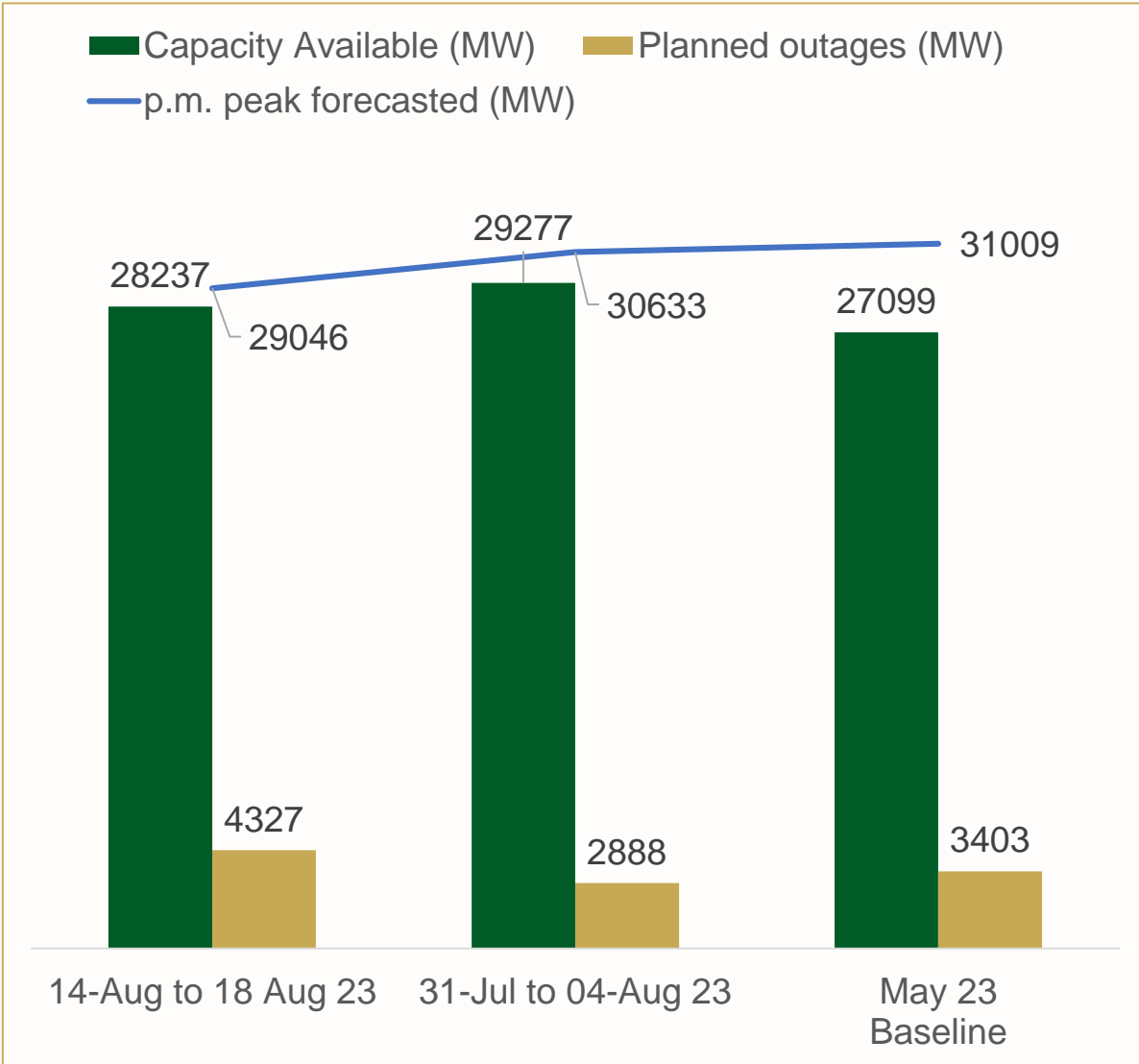
**Planned “good” maintenance is increasing, which will contribute to strengthening the fleet's efficiency and reliability.**

**Outage management is improving significantly, codified by the decrease in outage slips**



# GENERATION PERFORMANCE

Generation performance for the week 14 Aug 2023 to 18 Aug 2023 (5 day average)





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# ELECTRICITY DISTRIBUTION INDUSTRY





# ELECTRICITY DISTRIBUTION INDUSTRY

## Global trends disrupting EDI

### Decarbonisation

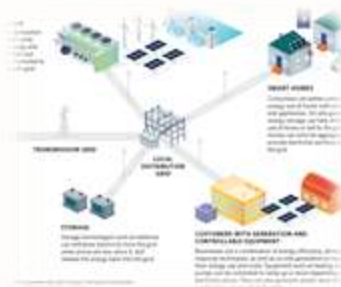


- Lender preference
- Paris Agreement
- IRP 2019, REIPPP, License reprieve
- Load shedding, PV proliferation

### Democratisation



- Energy markets, Bilaterals
- ERA: TSO, Aggregators, Traders
- Requires a neutral facilitator
- Explosion of the wheeling business



### Decentralisation

- IPPs are on Dx grid
- Rooftop PV, Own Generation
- Most economical
- Technology disruptors, DERs



### Digitalisation

- Bi-directional energy - technical challenge
- Dx grid unable to integrate DERs
- Grid and systems modernization
- LV Visibility



# ELECTRICITY DISTRIBUTION INDUSTRY

## Key challenges facing distribution industry

### Systemic challenges

1

#### Municipality Debt

Advocacy for municipalities to pay for electricity or lose license  
Advocacy for the Active Partnering Program

2

#### Energy Losses

Energy Losses is not just a Dx problem.  
Requires organisation synergy and shareholder intervention.

3

#### Income vs Cost of Sales

Advocacy for cost-reflective tariffs.  
Transfer Pricing

### Future Revenue depends on Policy

4

#### Industry Transformation

Dx is critical to the future ESI,  
Provides security to the grid  
Enables a liberalized market

5

#### Policy & Regulation

Advocacy for DSO-DET to be licensed  
Licensing of rooftop PV, microgrids  
Tariff unbundling, green energy

6

#### Sales Decline vs Revenue Augmentation

Load shedding - grid defection.  
Revenue augmentation:  
Wheeling, DSO-DET, Green energy, E-mobility

### Funding Solutions for transitioning

7

#### Strategic Partnerships

Constrained Balance Sheet – Limited Capex  
Explore strategic funding opportunities

8

#### Decarbonise, Decentralise Digitalise, Democratis

Enable IPP, DERs connections, Grid modernisation, Security of Supply, Enable IRP and JET

Inability to respond to new energy market due to inflexible grid, loss of potential income and customers

Creating value for customers - Enabling customers to trade and lower energy costs





# ELECTRICITY DISTRIBUTION INDUSTRY

## Municipal Debt overview

**Eskom** provides electricity services to **238** (158 bulk , 72 non-bulk, 8 metros) and **various municipalities** are currently in a state of paralysis and **are unable to perform their mandated duties**

The total (July 23) **Overdue Debt is R63.2 bn** of which the **Top 20 defaulters is R48.9 bn (77%)**  
The current YTD Growth is **~R4.7Bn**

A total of **44 Municipalities** inclusive of all **Top 20 Debtors** have been identified by Eskom and the government as having low electricity distribution competence

**27 active payment plans** are in place as at July 23, **11** were honoured and **6** partially honoured



In 2018 Dept of CoGTA identified **87 Municipalities** that are **distressed** or **dysfunctional** and 48 of these municipalities have arrear overdue bulk debt with Eskom

**Debt resolution** via the prescribed processes continues with the IRFA process, litigation, signed payment arrangements and ongoing negotiations and implementing agreed government interventions..

The 2019/20 **Auditor General reports** that **Municipalities continue to regress** in terms of financial management

There are currently **four active partnering agreements** in place, with Phumelela, Msunduzi and Maluti-a-Phofung and Bela-Bela municipalities



# ELECTRICITY DISTRIBUTION INDUSTRY

## Municipal Debt Interventions

### Payment Arrangements

- 28 payment plans in place,
- 11 honoured in May 2023 (May: 12),
- 7 were partially honoured (May: 7)

### Metro Debt - Late Payments

Total Metro overdue debt as at 30 Jun 2023 – R3.1bn

Following payments noted before the next bill is due:  
City of Tshwane

- R691m was paid in Jul'23
- R1 153m remains outstanding on the Jun'23 bill

City of Ekurhuleni

- R797m was paid in Jul'23
- R87m remains outstanding on the Jun'23 bill

### Government Interventions

- **Significant progress** with Municipal Debt Relief Package
- **5 munics approved** by NT as at 7 July 2023 (#) = *Ranking as at 30 Jun 2023*
  - Rand West (18), Matlosona (9), Emfuleni (3), Ulundi (58), Mbombela (11)

### Active Partnering

- +45 contacted
- 3 contracted
  - Msunduzi, Phumelela, Maluti a Phofung 1 contract renewal
  - Raymond Mhlaba
- 3 in progress
  - Govan Mbeki, Mpofana, Ulundli

### Compliance

- 100% IRFA Process compliance
- 65 municipalities in the Active IRFA process
  - 27 pending litigations
  - 1 Mediation
- 12 Advanced litigation processes
- 3 Arbitrations

### NMD Limitations

Eskom manages the NMD exceedance of the the following Munics

- Letsemeng, Ngwathe, Maluti-a-phofung, Tokologo, Merafong city, Rand west city, Govan Mbeki, Mkhondo, Emakhazeni, Ditsobotla, Lekwa-Teemane