

# Electricity Minister: 'South Africa is making strides in addressing energy crisis'



11 Mar 2024

In a press briefing, Minister in the Presidency responsible for Electricity, Dr Kgosientsho Ramokgopa, provided an update on the country's Energy Action Plan. The Plan aims to tackle the nation's ongoing load shedding challenges.



The Mnister in the Presidency responsible for  $\Box$  ectricity briefed the media on the  $\Box$  energy Action Plan

Ramokgopa expressed confidence in the Plan's effectiveness, highlighting the return of 3,510MW of power generation capacity over the past year through interventions at Eskom, the country's primary power utility. He emphasized that these efforts are ongoing.

While acknowledging the need for additional generation capacity, the Minister pointed out that transmission limitations are currently hindering progress. He expressed optimism that resolving these transmission issues will further expedite the plan's goals.



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The Energy Action Plan, unveiled by President Cyril Ramaphosa in July 2022, outlines a roadmap to address these challenges and secure the country's energy future.

## VGBe report

Eskom is also implementing the Generation Operational Recovery Plan to address various operational observations made in the VGBe Consortium report that was made public in March 2024.

These initiatives focus on improving people, plant, and process performance. Regular progress updates are shared with the public every two weeks by Ramokgopa and Eskom executives.

In October 2023, Eskom responded to VGBe and National Treasury outlining many of the improvements already made since their assessment period.

"We are thankful to the National Treasury for commissioning the report and for the debt relief, which has made funds available for much-needed capital to invest in planned maintenance, restore energy availability, and invest in other key projects across all divisions," said Eskom's group executive for generation, Bheki Nxumalo, in a media statement.

"The Board has asked our new group chief executive, Dan Marokane, to assess the Generation Operation Recovery Plan with the view to accelerate its execution."

"He will also make sure that VGBe recommendations are implemented. As a team, we know that ending loadshedding largely depends on disciplined execution of our recovery plan" concluded Nxumalo.

### Comprehensive strategy

Ramokgopa took the press briefing opportunity to outline some reponses to criticism that the power utility and the minister has received since the report went public.

VGBE REPORT REFLECTION AND HEADLINE RESPONSE TO THE REPORT <u>#LeaveNoOneBehind</u> \*\*\*

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Eskom, acknowledging its previous shortcomings, has unveiled a detailed and multi-faceted plan for improvement.

**Power plant upgrades:** Eskom has committed to intensifying maintenance efforts, streamlining the procurement of spare parts, and establishing a dedicated team to rectify existing plant deficiencies.

**Enhancing generation capacity:** The company plans to optimise maintenance scheduling, expedite the involvement of independent power producers, and plan the reactivation of currently decommissioned stations.

This will be supported by improved budgeting for outages and a heightened focus on outage preparedness

**Addressing the skills deficit:** Eskom is taking steps to retain key personnel, recruit new plant managers, and engage external experts. The company will also enhance training programmes and conduct skills audits to identify areas for improvement.

A system of accountability, complete with both consequences and incentives, is being established. In an innovative move, Eskom is exploring the use of crowdsourcing for problem-solving.

#### **Fighting corruption**

Eskom is reports that it is also implementing stricter governance controls, including data analysis to identify suspicious activity. Investments are being made in technology, quality assurance specialists, and training to combat fraud and corruption.

The report acknowledged some success in these areas under the 9 Point Plan, such as rectifying defects in new power plants, improving the performance of a key station (Medupi), and achieving coal stock targets.

The power utility plans to implement cost-cutting measures while allocating funds for critical areas like outages and midlife plant refurbishment. A particular focus will be placed on prioritising maintenance at the six power stations contributing most to unplanned outages.

Any improvements in these stations will significantly increase the energy available for generation and feed directly into the EAP goals.

### Working with mines

Securing better quality coal in sufficient quantities is highlighted as a key component of the generation recovery and this will involve renegotiating agreements, investing in specific mines, and implementing stricter verification measures to ensure they receive the coal they pay for.

These deals should address some of the boiler issues that have occurred dovetail with other solutions that have been developed and tested to address defects at a specific unit (Medupi Unit 3).

These solutions are being applied to other units, with further improvements planned to achieve optimal performance.

Eskom's commitment to these areas is expected to significantly contribute to the overall success of the Energy Action Plan and the reduction of load shedding in South Africa.

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