

■ ENERGY

'Eskom has a long road to a full recovery'

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ESKOM is effectively broke and needs further interventions to be turned around before its risk to the economy is mitigated.

This is the view of Anton Eberhard, a senior scholar at UCT who directs the Power Futures Lab at the Graduate School of Business. Eberhard is also the chair of a presidential task team to resolve serious financial and technical challenges at Eskom.

Eberhard, whose task force is set to make recommendations on the restructuring of the power sector, was speaking yesterday at a session on power strategy and development at the 2019 edition of the African Utility Week and PowerGen Africa at the CTICC yesterday.

Eberhard said: "Now is the time to restructure Eskom so that we are not faced with endless bailouts and so that competition and investments are accelerated. Accelerated innovation in disruptive power technologies, services and markets are shifting and upending relative prices, resource shared as well as the location and pattern of energy production and use."

He pointed out that Eskom's performance had deteriorated between 2007 and 2018. Eberhard said that while revenues had increased, electricity sales had dropped.

During his State of the Nation Address in February, President Cyril Ramaphosa unveiled a plan to unbundle the troubled state-owned enterprise. This would involve splitting Eskom into three business units, one for power generation, another for transmission of power and a third for the distribution of power.

Earlier, Energy Minister Jeff Radebe delivered the conference's opening address. He spoke about the integrated resource plan (IRP), which he said would set out South Africa's future energy mix.

"Cabinet approval for the IRP will define a tangible plan for energy security that also enables the participation of independent power producers side by side with Eskom."

The minister said that while South Africa was moving away from its dependence on coal-fired power stations to reduce its greenhouse gas emissions, this would be done in a way that did not impact negatively on jobs and local economies.