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SA energy plan a priority

Nersa urged to facilitate more power capacity

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AS ESKOM'S woes cast a dark shadow over the country's economy, the need to fast track a long-term energy sector plan has been highlighted as a priority.

This comes as thousands of experts, industry leaders and innovators gathered at the African Utility Week and PowerGen Africa conference in Cape Town this week to discuss innovative new ways of solving the energy and water problems on the continent.

Speaking at the conference, Energy Minister Jeff Radebe announced that he had written to the National Energy Regulator of South Africa (Nersa) to grant businesses licences to generate its own electricity and feed it into the national grid.

This would allow businesses to make such an application while the long-awaited Integrated Resource Plan (IRP) remains unfinalised.

The plan will enable the participation of Independent Power Producers (IPP) to work side by side with Eskom and municipalities.

"Eskom alone cannot meet our power capacity requirements, because we estimate that the capacity extension under the IRP will cost in excess of R1 trillion in the period up to 2030," Radebe said.

"A deteriorating Eskom plant performance – propelled by old generation infrastructure – suggests that we are in need of more in-



SOUTH Africa needs to implement more innovative energy solutions like these solar panels in China. | AP African News Agency (ANA)

vestment in new generation capacity."

He added that the draft IRP confirms that the decade starting in 2030 would require a significant commission of new generation capacity.

But Eskom's crippling debt is an obstacle.

"Partnerships between the private sector and government need to be intensified as a necessity... there is still an opportunity to be innovative in areas like energy research, localisation of value chains, and financing," he said.

The power utility is under severe financial constraints and in debt to the tune of R500 billion, with rating's agency Moody's warning that Eskom's debt could affect the country's credit rating as the utility can't service its obligations without government bailouts.

"Eskom is being bailed out by the government almost on a monthly basis and even the R23bn allocated in the Budget is not going to be enough to fill the gap and get Eskom out of the debt trap," said Dr Grové Steyn, who

serves as a member of the Presidential Task Team on Eskom.

"We will have to think outside the box and find a range of solutions."

Steyn also highlighted what Eskom's future would be in an energy environment that was competitive.

"Around the world, traditional large-scale utilities have been successful in changing their business models and becoming players in the renewable energy space, but that is a radical change that will require drastic changes in Eskom."