

# Press Release

## For immediate release

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## **Eskom still faces massive 18 000 MW power shortfall – IRR policy paper**

A policy paper released by the IRR today has found that South Africa faces a far greater electricity shortfall than is commonly estimated.

“South Africa’s precarious electricity supply is a national crisis which is crippling our economy,” says engineer Andrew Kenny in an analysis published today in *@Liberty*, the policy bulletin of the IRR.

In this analysis, Kenny tracks the rise and fall of Eskom, from the days when its simple brief was to produce electricity and cover its costs to the late 1990s, when the ruling party seemed to think it was “some kind of magic machine that would automatically make enough electricity”, even as it was diverted from its core function to meeting the Government’s “transformation” goals.

Says Kenny: “The new coal-fired power stations at Medupi and Kusile that were finally commissioned are years behind schedule. Moreover, even when they and Ingula (a pumped storage scheme) are fully on stream, we will still not have enough electricity to power even modest economic growth.

“If the economy grows at the inadequate rate of 3% of GDP a year, by 2030 we’ll need another 18 000 MW, equivalent to four more Kusiles or eight more Koebergs.”

“In the meantime, several of our existing coal stations – built in the 1970s with an expected 40-year life – are being run into the ground and will need to be replaced by 2030, if not before.”

According to Kenny, there are no quick solutions to the crisis but there are “clear ways out of it”.

Five steps are vital:

- Eskom must be depoliticised and must resume its earlier function of providing sufficient, reliable electricity at a price that covers costs;
- Eskom’s transmission system must be taken from it and given to an ‘independent system and market operator’ (ISMO);
- anyone who wants must be able to generate and sell electricity into the grid on a strictly commercial basis;
- electricity distribution should be taken away from municipalities and given to private electrical engineering companies that would compete with one another on efficiency and cost; and
- energy sources for future electricity supply must be chosen on scientific and commercial grounds, in the best interests of mankind and the environment.

Adds Kenny: “Above all, Eskom must return to being what it was before, an independent engineering company whose sole duty is to provide reliable electricity and that appoints its managers, engineers, and technicians purely on qualifications and experience, not skin colour or political affiliations.”

**Ends.**