



MEDIA STATEMENT

Eskom urges customers to use electricity wisely as the system outlook remains tight

Tuesday, 25 February 2014: Eskom today emphasised that it is working hard to ensure security of power supply. The national electricity grid remains constrained and this will continue until new generating capacity comes on line and essential generation maintenance is done.

Addressing the media at the Quarterly State of the System briefing, Eskom Chief Executive Mr Brian Dames said power supply was constrained this summer, culminating in the declaration of two system emergencies last week (February 20 and 21). Despite the emergency declaration, no rotational load-shedding was done – thanks to immediate demand reduction by all our customers and the utilisation of emergency reserves. Up to 1000MW of demand was reduced by our industrial, commercial and residential customers during the emergency periods.

Dames thanked all Eskom customers for heeding the call to use electricity sparingly, but cautioned that the power system still remains vulnerable going into winter.

“With the projected demand and current trends in planned maintenance and in plant performance, extensive use of open cycle gas turbines (OCGTs) is anticipated resulting in limited operating reserves to deal with volatility in demand or generation performance. We call on all customers particularly the municipalities and the commercial sectors to manage and cut out all electricity wastage. The industrial and commercial sector can make significant contributions particularly in large office blocks and shopping centres. If this is done, it will ensure a stable power system and reduced costs. We thank all our customers who continue to assist by reducing consumption,” he said.

Chairman of the Eskom Board, Mr Zola Tsotsi thanked all South Africans for heeding Eskom’s call to reduce electricity usage saying, “I would like to convey a special word of thanks to all our customers who supported us by agreeing to reduce their electricity usage during challenging times. Our call for all South Africans to save electricity therefore remains and is louder than ever before. Every South African has a role to play in conserving energy.”

Public Enterprises Minister Mr Malusi Gigaba also urged customers to be prudent with the electricity usage: “The power system is currently tight and will remain like that until new generating capacity comes online. We therefore appeal for sustained savings throughout the day in order to reduce demand on the electricity grid. The less electricity you use, the more electricity will be available to go around.” The electricity system remains tight and will



remain so for a foreseeable future. We can assure you that we will only use load shedding as a last resort – one to protect the national grid from total collapse. We thank all South Africans for uniting and for responding by making energy efficiency their way of life.”

Eskom adopted a five-year plan aimed at ensuring a sustainable generation fleet, one that will not only generate power more reliably now but will continue to do so over the useful lives of our power stations.

Dames said: “The plan will see us target 10% of our generation capacity on average through the year to do fixed planned maintenance, to address reliability and environmental issues at our power stations. In the short to medium-term, this will introduce higher risks to balancing supply and demand. In order to manage these risks, the country must continue to focus on additional supply options, energy efficiency and some form of an energy conservation scheme as a safety net.”

As in 2013, the planned maintenance programme will continue throughout the year and this could potentially increase the level of constraint. It remains critical for customers to maintain or achieve 10% savings especially in the commercial and residential sector.

Much of the planned maintenance will be fixed, providing certainty, while outages will be done to ensure we can comply with environmental legislation. The average age of Eskom’s power stations is 30 years and they therefore require higher levels of planned maintenance work. Maintenance will continue at high levels based on the generation sustainability strategy and to comply with environmental legislation. Planned outages vary between 5GW to 6GW up to April 2014, thereafter between 4GW and 5GW and by June will decrease to about 2GW.

Unit 2 of the Koeberg nuclear power station will be shut down for planned refuelling at the end of March this year.

The energy imports from the Cahora Bassa hydro scheme are back at full capacity of 1 500 MW following the repair of towers that were damaged by the floods in Mozambique in 2012. In addition, approximately 2 100 MW of interruptible demand, for up to two hours a week, is contractually available from the aluminium smelters. About 320 MW of renewable energy from the independent power producers will be connected to the national grid in the first half of this year. An additional 320 MW will be connected in the first half of 2015.

Tsotsi also outlined the importance of regional partnerships. He said, “Eskom is a member of the Southern African Power Pool (SAPP) and trades with neighbouring countries. Without supply to and from each other as SADC countries (i.e imports and exports), our power systems and economies would be impacted negatively. However, supply contracts with our neighbours are designed in a manner that doesn’t prejudice our



domestic customers. If there was a need to go into rotational load shedding, supply to these countries would be cut off.”

Eskom is committed to completing the new build programme and has put the necessary resources in place to achieve this objective. Work has resumed at the Ingula pumped storage following an accident that happened at the facility in October last year.

Medupi and Kusile continue to demonstrate world-class safety performance at 0.1 loss time incident rate. Medupi’s first unit is still expected to be synchronised in the second half of this year, and Kusile’s first unit will follow a year thereafter. The technical issues at both Medupi and Kusile are being addressed.

Three of the 50 wind turbines at Sere power station are complete and the station’s 100 MW is expected to be commissioned by 2014/15.

The strengthening of the transmission power lines is also progressing well, with major sections of the network (Western Cape, Limpopo and Gauteng) having been completed.

By the end of this decade, we will have added a total of 17.1 gigawatts to the grid, boosting our capacity by almost 50%, from a range of new plants including return-to-service stations and open cycle gas turbines, as well as Medupi, Kusile and Ingula.

“These are large and complex projects that take time to build. We have said all along that the power system would remain tight for the next few years until we get substantial new capacity online from our large new power stations,” said Dames.

Eskom calls on all consumers to pull together over the next few months and use electricity sparingly by “Living Lightly”. Residential, commercial and large industrial customers can make the biggest difference by switching off geysers and pool pumps from 5pm – 9pm; switching off non-essential lights; using air-conditioners efficiently by setting the room temperature at 23^oC and responding to the Power Alerts messages.

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