

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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 **Memorandum from the Parliamentary Office**

**National Assembly: 1820**

Please find attached a response to Parliamentary Questionfor***written reply*** asked**byMr D F Mthenjane (EFF)** to ask the **Minister of Mineral Resources and Energy**

**Adv. T.S Mokoena**

**Director General: Department of Mineral Resources and Energy**

**………………/………………/2020**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2020**

**1820. Mr D F Mthenjane (EFF) to ask the Minister of Mineral Resources and Energy:**

(1) Whether the generation capacity under Eskom will be sold and electricity generation will be opened to the private sector; if not, what is the position in this regard; if so,

(2) whether a new company will be created and/or it will happen under Eskom; if not, what is the position in this regard; if so, what will be the role of Eskom? **NW2215E**

 **Reply:**

1. Government does not have intentions or policy to sell Eskom, however, several interventions to date have been undertaken to restore Eskom Balance Sheet, recovery losses and deal with inefficiencies. Establishing a new company will require a review of the current existing legislation, the government and Eskom have focused on seeing through the turnaround strategy of Eskom to see its full implementation. Also, plans are ongoing on the two new build power stations to be fast tracked for the completion and commission. The Government has also allowed for small scale embedded generators to be installed, allowed for procurement of new generation capability under the IPP program. The current Eskom financial burden and the Covid 19 pandemic might delay the recovery. Municipalities will also be allowed to do their own procurement. This is to help with electricity interruptions as the government commitment in ensuring electric supply. The approved IRP acknowledges the need for new additional capability which will be needed and which type of technology.
2. Eskom as a generator can participate in new generation bidwindows to address some of their inefficiencies. In terms of capacity needed going forward,Government has opened the door for Private participants, that include Eskom and private sector is part of the program. Government will continue to look at existing legislation in order to enable Eskom and other stakeholder’s advances in a manner that benefits Eskom, customers and investors.