

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2009**

**QUESTION:**

 **2009. Ms O M C Maotwe (EFF) to ask the Minister of Public Enterprises:**

(1) What are the details of the agreed upon performance indicators of the (a) Chief Executive Officer and (b) Chief Operating Officer of Eskom; (2) whether he has found that the specified officials are currently performing according to their agreed-upon performance indicators; if not, why not; if so, what are the relevant details?

**REPLY:**

 **According to the information received from ESKOM**

1. The performance indicators for the Group Chief Executive and Chief Operating Officer are agreed to at the beginning of each financial year. These indicators are based on the Shareholders compact / Corporate Scorecard as approved by the shareholder and includes the following key performance areas and key performance indicators:

| **KPA** | **FY23 KPI** | **Unit** | **FY23** | **FY24** | **FY25** |
| --- | --- | --- | --- | --- | --- |
| **Focus on Safety** | **Lost-time Injury Rate (Employee) (LTIR)1** | Rate | **0.30** | **0.30** | **0.30** |
| **Improve Plant Operations 2** | **Energy Availability Factor (EAF)** | % | **65** | **TBC** | **TBC** |
| **Post Philosophy Outage UCLF (PPO UCLF)** | % | **14** | TBC | TBC |
| **Outage Readiness Indicator (ORI) at T-3** | % | **80** | TBC | TBC |
| **Boiler Tube Failure (BTF) rate** | No. of failures per unit per year (12mma) | **1.8** | TBC | TBC |
| **Number of days of load reduction (load shedding and/or curtailment)** | Days | **63** | TBC | TBC |
| **Reduce Environmental Footprint in Existing Fleet** | **Relative Particulate Emissions (Kg/MWh sent out)** | Kg/MWh | **0.30** | **0.30** | **0.28** |
| **Specific Water Usage –Litres Per Kwh (l/kWh Sent Out)** | l/kWh | **1.39** | **1.30** | **1.25** |
| **Atmospheric Emission Licences (AEL) Compliance** | % | **90** | **91** | **92** |
| **Primary Energy Optimisation3** | **Migration Of Coal Delivery Volume From Road To Rail** | Mt | **4.7** | **7.6** | **7.6** |
| **Coal Purchases Rand/Ton % Increase** | % | **Commercially confidential** |
| **Deliver Capital Expansion** | **Generation Capacity Installed and Commissioned (Commercial Operation)** | MW | **800** | **800** | **800** |
| **Improve Plant Operations** | **System Minutes Lost** | Min | **3.53** | **3.53** | **3.53** |
| **Transmission Lines Installed** | Km | **140** | **340** | **346** |
| **Transmission Transformers Capacity Installed and Commissioned** | MVA | **0** | **1 315** | **1 500** |
| **Payment Levels Excluding Soweto Interest** | % | **95.7**  | **95.7**  | **95.7**  |
| **Distribution Total Energy Losses** | % | **9.44** | **9.42** | **9.56** |
| **Total Electrification Connections** | Number | **106 280** | **105 936** | **105 000** |
| **SAIDI** | Hours | **38.0** | **38.0** | **38.0** |
| **Ensure Financial Sustainability3** | **EBITDA**  | Rm | **53 829** | **68 053** | **82 805** |
| **Cash Interest Cover Ratio** | Ratio | **1.75** | **2.28** | **2.04** |
| **Debt Service Cover Ratio** | Ratio | **0.73** | **1.01** | **0.91** |
| **Savings From Turnaround Initiatives** | Rm | **21440** | **22619** | **23863** |
| **Legal Separation** | **Business Separation Key Milestones (Gx legal separation)** | Date | **2022/12/31** |  |  |
| **Business Separation Key Milestones (Dx legal separation)** | Date | **2022/12/31** |  |  |
| **Socio-economic Impact: Human Capital** | **New intake: Learner Artisans** | Number | **100** | 100 | 100 |
| **New Intake: Learner Engineers** | Number | **50** | 50 | 50 |
| **New Intake: Learner Technicians**  | Number | **50** | 50 | 50 |
| **New intake: Sector specific**  | Number | **90** | 90 | 90 |
| **Training Expenditure as % of Budgeted Gross Employee Benefit Expense** | % | **3.75** | 3.75 | 3.75 |
| **Corporate Social Investment (CSI)** | **CSI Committed Spend** | Rm | **131** | **131,3** | **137.9** |
| **Industrialisation and Localisation** | **Preferential Procurement** | % | **80** | **80** | **80** |
| **Local Content** | % | **80** | **80** | **80** |
| **B-BBEE Score Level** | Number | **6** | **4** | **4** |
| **Enterprise Development** | Rm | **5** | **5** | **5** |
| **Supplier Development** | Rbn | **5** | **6** | **7** |
| **National Industrial Participation Programme** | % | **100** | **100** | **100** |
| **Research and Development** | % | **90** | **95** | **95** |
| **Data Analytics**  | **Integrated outage solution platform** | % | **30** |  TBC |  TBC |
|  | **Improved data quality** | % | **30** |  TBC |  TBC |
|  | **Plant data actionable insights** | % | **30** |  TBC |  TBC |
|  | **Enhance self-service capability** | % | **10** |  TBC |  TBC |

 The key performance areas such as Financial Sustainability and Legal Separation will have higher percentages in the Group Chief Executive compact whereas higher ratings in the Chief Operating Officer compact will be given to operational key performance areas such as improvement of plant performance and primary energy optimalisation.

 (2) With all the challenges facing Eskom these officials are performing according to and beyond their agreed performance scorecards. There had been a dramatic improvement in Eskom’s performance with an 85% improvement in earnings before interest, tax and depreciation (ebitda). Eskom has also successfully reduced debt to R396 billion, from a previous high of R440 billion. The actual performance against the shareholders compact can be shared once the Audit is completed.