

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2144**

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**QUESTION:**

Mrs H O Mkhaliphi (EFF) to ask the Minister of Public Enterprises: (a) What are the details of his plan to deal with the problems regarding the coal independent power producers (IPPs) for Eskom, in particular the fact that Eskom (i) will have to close certain of its own coal plants early to meet the offtake requirements of the coal IPPs, and even earlier in a low greenhouse gas emission scenario and (ii) will be faced with having to sell electricity at very high prices in circumstances where more and more electricity consumers are defecting from the grid and (b) what steps does he intend to take to mitigate the impact on Eskom?

**REPLY:**

**According to the information received from Eskom**

**BACKGROUND**

Eskom has not approved the signing of the coal independent power producers (IPPs) agreements. No approval nor instruction has been given by the Department of Public Enterprises to Eskom to sign such agreements.

Eskom understands that all future IPP programmes are on hold until such time as the Integrate Resource Plan (IRP) has been concluded. Eskom provided these IPPs with budget quotations for connection to the grid as is required by the Eskom transmission license, but has made no other allowances for these IPPs in the Eskom production plans and price applications.

**(a)(i)(ii)**

The impact of new capacity as well as the low greenhouse gas emissions scenario on the electricity system and the Eskom generators must be considered in the development of the IRP. The IRP also considers price impacts.

Eskom will provide comments on the IRP when it is given the opportunity to do so, and any impact on Eskom’s generators, costs and prices to consumers will be addressed in these comments.

**(b)**

Government together with Eskom and other key stakeholders are in the process of evaluating the socio-economic costs of decommissioning of mines that have reached their end of life. A transitional plan will be developed that will support the integrated Resources Plan (IRP).