

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2168**

**QUESTION**:



**2168.   Mr E M Buthelezi (IFP) to ask the Minister of Public Enterprises:**

Considering that the Government has been aware for years now that the energy crisis is not a matter that can be resolved overnight and yet it has a dire impact on the economy, costing the Republic more than R1,2 trillion, what immediate measures has his department put in place to mitigate the effects of load shedding on the economy of the Republic from now until March 2025?              **NW2464E**

**REPLY:**

1. There are varying estimates of the cost of load shedding to the South African economy. It has been widely reported that the South African Reserve Bank estimates that Stage 3 (up to 6 hours a day) and Stage 6 (up to 12 hours a day) load shedding detracts between R204 million and R899 million respectively on a daily basis from the South African economy.
2. The impact of load shedding on economic activity differs depending on its severity (stage) and duration (number of days). Additionally, the impact on various economic sectors is also not the same with electricity, gas, water and electricity-intensive mining and manufacturing generally being the most impacted. It is recognised that the calculation of the cost of load shedding to the economy is a complex matter.
3. However, we can all agree that the negative effects of load shedding are pervasive, affecting every part of our economy and all walks of life. In particular low-income households and communities often lack the financial means to afford alternative energy sources or the additional energy costs during load-shedding and cannot access basic services such as healthcare, education, and social services. Quality of life is suffering as a consequence.
4. President Ramaphosa has stated that it is our overriding priority to end load shedding and achieve energy security. It is not good enough to merely implement measures to reduce the severity and duration of load shedding to minimise economic impacts, we must end it.
5. In his address to the nation on 25 July 2022, President Cyril Ramaphosa announced a bold set of actions to address loadshedding and achieve energy security. The President subsequently established the National Energy Crisis Committee to ensure that the Energy Action Plan is fully implemented and appointed a dedicated Minister of Electricity in the Presidency to provide a single point of execution for the energy crisis response.
6. There are five (5) key interventions to end load shedding, comprising of the following:
   1. Fix Eskom and improve the availability of existing supply
   2. Enable and accelerate private investment in generation capacity
   3. Accelerate procurement of new capacity from renewables, gas, and battery storage
   4. Unleash businesses and households to invest in rooftop solar
   5. Fundamentally transform the electricity sector to achieve long-term energy security
7. The Minister of Electricity will be responsible for overseeing all aspects of the electricity crisis response and driving the various actions being coordinated by the National Energy Crisis Committee to end load shedding as a matter of urgency.
8. The immediate measures to alleviate load shedding and the impact on the economy are to improve the performance of the existing Eskom base load fleet, maximise the performance and output of peaking stations and reduce demand through an aggressive demand side management programme.
9. Additionally, measures are being taken to substantially and urgently increase the construction of new generation capacity. The reforms already implemented have resulted in a significant increase in investment in new generation projects, with many more in the pipeline.
10. Finally, it should be recognised that the System Operator only imposes load shedding to the severity and duration required to protect the National Power Grid and as a last resort, once it has exhausted all of the other Generation, Emergency and Demand Side resources at its disposal. We are, in fact, on real-time basis mitigating the impact of load shedding on the South African economy by only effecting the level of load shedding necessary to maintain a stable and reliable electricity supply and avoid a Grid collapse, which would have much more dire consequences for our country and the economy.

**Remarks: Approved / Not Approved**

**Jacky Molisane PJ Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**