

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 3370**

**QUESTION:**

**3370. Mr M M Chabangu (EFF) to ask the Minister of Public Enterprises:**



Whether he has found that Eskom can be rescued under the present conditions it operates in; if not, what is the position in this regard; if so, what are the full details of the rescue plan? **NW4175E**

**REPLY:**

**According to Information Received From Eskom**

Eskom is critical to the economy of South Africa, and it is thus imperative that Eskom is enabled to provide consistent and reliable electricity to the country. In order to achieve this, assistance in addressing Eskom’s unsustainable debt is required from the Government and this will be done as committed by the Minister of Finance in his Medium-Term Budget Policy Statement on 26 October 2022.

Secondly, additional capacity is urgently required nationally, not only to address the current shortfall, but also to provide Eskom enough maintenance space to execute essential reliability maintenance and to replace the capacity of its coal units that are to be shut down.

Thirdly, Eskom will improve its operational performance and increase its generation capacity through a number of interventions, including:

* Bringing the remaining two (units) at Kusile online and expediting the return of Medupi unit 4;
* Implementing reliability maintenance through focus on quality, recruitment of experienced staff, and the utilisation of the Original Equipment Manufacturers (OEMs);
* Addressing Eskom debt to enable required investments;
* The use of climate funding to invest in repurposing and repowering of stations to be shut down;
* Coordinated efforts with law enforcement to address sabotage, theft, and fraud at power stations; and
* Focus on six (6) priority stations (Duvha, Kendal, Kusile, Matla, Majuba and Tutuka) where the maximum benefit can be achieved by improved performance.

Fourthly, the Presidential Energy Action Plan was developed to address Eskom generation challenges. The root causes of the current performance are due to late decision by the Government to allow Eskom to build new generation capacity and many years of sub-prudent and efficient cost reflective tariffs which led to over a decade of “running the stations very hard” with less-than-ideal reliability maintenance and mid-life refurbishments.

The “Rescue Plan” of Eskom requires inadequate capacity and inadequate funding as well as availability of the Generation fleet to be addressed.