

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 3891**

**QUESTION:**

 **3891. Dr P J Groenewald (FF Plus) to ask the Minister of Public Enterprises:**

Whether, in view of his statement at the Financial Times Africa Summit in October 2022 that electricity is a public good, as justification for the reason that the State should remain in control of providing electricity through Eskom, his department has considered forming strategic partnerships with other governmental departments and/or private entities, given Eskom’s growing financial predicament and the increased escalation of load shedding stages; if not, why not; if so, what are the relevant details?                 **NW4849E**

**REPLY:**

Electricity plays a key role in the economic development of the country. Electricity affects both the rich and the poor communities. Eskom played a critical role and will continue to provide a public good in the form of electricity. It must be emphasized that, the entity provided the good during the time that private sector could not take the risk of providing the public good. The electricity industry has matured hence the private sector is willing to enter the market and provide competition which will bring about efficiencies and improve service provision. The increase in competition in the energy industry necessitated the restructuring of Eskom to enable the entity to efficiently operate in the energy industry. The incorporation of the Transmission Subsidiary will play a key role in the transmission of electricity. Partnerships between the public, and private sectors is needed for provision of electricity. The Department is engaging with Department of Mineral Resources and Energy (DMRE) and National Treasury through the Intergovernmental Steering Committee that provide oversight to Eskom restructuring.

The development finance institutions are critical for financing electrical infrastructure in the country. The private sector has invested heavily on the Eskom transmission network. The embedded generators are allowed to sell the excess electricity to Eskom. The private sector has played an important role in the provision of electricity through the Renewable Energy Independent Power Producer Power Programme bid windows. Eskom is procuring additional capacity from Independent Power Producers (IPPs) to improve maintenance to improve Energy Availability Factor (EAF) to reduce loadshedding in the country.

**Remarks: Approved / Not Approved**

**Jacky Molisane Pravin Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**