

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 3914**

**QUESTION:**

**3914. Ms P Madokwe (EFF) to ask the Minister of Public Enterprises**:

What (a) amount has Eskom invested in power generation since the start of load shedding in 2007 to date and (b) does he make of the concerns raised that Eskom has been producing less and less electricity over the years and had been requesting more funding in spite of significant investment over time? NW4941E

**REPLY:**

(1)(a) Eskom spent a total of R632.9 billion (excluding capitalized interest) between the start of Financial Year (FY) 2008 (1 April 2007) and the end of FY 2021 (31 March 2021), of which R320.1 billion (50.6%) was focused on increasing installed generating capacity, at:

|  |  |
| --- | --- |
| **New stations** | **Return to Service (RTS) stations**  |
| 1. Medupi
2. Kusile
3. Ingula
4. Sere
5. Angerlig
6. Gourikwa
 | 1. Camden
2. Komati
3. Grootvlei
4. Arnot
 |

During this period, total installed capacity increased by 19.9% from 43.0 Gigawatt (GW) to 51.1 GW.

The remainder of the capital spend relates to the expansion of power grids, the refurbishment of all plant and the acquisition of transport fleet, computing equipment, land, buildings, furniture, workshops, and other production equipment. During the period, over 23 000 km of transmission, distribution and reticulation voltage network was commissioned, with an excess of 96 000 transformers being installed, adding over 94 000 Megavolt-ampere (MVA) to the grid.

The annual capital expenditure grew from R23.4 billion in FY 2008 to a peak of R60 billion in FY 2017 during the peak of the generation capacity expansion programme, but subsequently returned to R24 billion in the FY 2021 period.

(b) Energy sales in the period reduced from 224.4 Terawatt-hour (TWh) in FY 2008 to 191.9 TWh in FY 2021 (an annual average contraction of 1.2%). However, the FY 2021 period was impacted by the initial stringent COVID-19 lockdowns, which saw sales decrease by 6.7% from 205.6 TWh in FY 2020 to the 191.9 TWh in FY 2021. Re-working the annual contraction to the end of FY 2020 results in an annual average contraction of 0.7%. In total, over the FY 2008 – FY 2021 period, Eskom sales amounted 3 004.4 TWh; estimated loadshedding impacts over the same period totalled 5.7 TWh (the equivalent of 0.2% of the total adjusted sales in the period).

While of significant impact to the economy, the underlying sales reduction over the period cannot be wholly attributed to the impact of loadshedding since underlying shifts to more energy efficient technologies and a shift/reduction in energy consumption across sectors because of other economic factors, also play a part.

Insofar as Eskom’s energy send out is concerned, cognisance must also be taken of the impact on the country, the Independent Power Producers (IPPs) programme had over the period. Eskom’s contribution has reduced from 95.4% of the energy needed to meet consumer demand in FY 2008 to 90.0% in FY 2021, with the IPP (introduced in FY 2011) contributing 6.0% of the supply in FY 2021 – the balance is linked to the import of energy. Finally, there must also be an appreciation that the Generation plant became 15 years older during this period.