**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

FRIDAY, 10 MARCH 2023

DUE DATE: 24 MARCH 2023

**799. The Leader of the Opposition (DA) to ask the President of the Republic:**

Considering that in 2019 he committed to unbundling Eskom, an urgent imperative if inadequate transmission capacity is to be resolved, what are the reasons that the unbundling of Eskom has been delayed?

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**REPLY**

Eskom is continuing to work on implementing the legal separation (or unbundling). This is a key strategic priority of Eskom’s Turnaround Plan as envisaged in the Department of Public Enterprises (DPE) Roadmap.

In line with the roadmap, the corporatisation of the transmission function was completed in December 2021. A legally binding merger agreement was entered into between Eskom and its wholly-owned subsidiary, the National Transmission Company South Africa SOC Limited (NTCSA).

Reasons for the delays in unbundling transmission relate to external dependencies such as obtaining lenders’ consent, acquiring electricity licences and designation of the transmission entity as a buyer.

The next step is to operationalise the NTCSA, which is subject to the satisfaction of certain suspensive conditions. These include, but are not limited to, the National Energy Regulator of South Africa (NERSA) granting all applicable licences required for NTCSA to operate the transmission business and Eskom obtaining all applicable creditor consents to the transaction.

Future phases of the legal separation will be dependent on legislative changes, including the amendment of the Electricity Regulation Act regarding licensing and the Electricity Pricing Policy of the South African electricity supply industry.

The addition of new transmission capacity through expansion of the grid is being accelerated through the implementation of the Transmission Development Plan, supported by the work of the National Energy Crisis Committee.