South Africa's energy sector is facing numerous challenges, all contributing to our current energy crisis and with a direct bearing on our country's future. We must decisively deal with energy security and load shedding, whilst urgently securing broad sector reforms and accelerating large-scale investment. The Energy Council aims to enable a unified strategy and vision for a South African energy transition pathway that will support clean industrialisation and global competitiveness, address our economic and social deficits and importantly contribute to a sustainable environment.

MESSAGE FROM THE CEO

There is a saying which goes as follows, "In God we trust; for everything else bring Data." Predicting an end to load shedding is an impossible task, especially while we continue to have an unreliable Eskom coal fleet, and hence an unpredictable Energy Availability Factor (EAF). The data on load shedding however, indicates that we have hit an inflection point in 2024 and are tracking on a very different trajectory compared to 2023.

Over the past 12 weeks, cumulative load shedding measured in TWhrs was 66% lower year on year (5.8 TWhrs to 1.97 TWhrs). This was due to 24% fewer load shedding days over the period. Of the load shedding days experienced, 85% of 2023's load shedding days were between stage 4 to stage 6, yet 91% of 2024's load shedding days were between stage 2 to stage 4.

Although the Eskom EAF remains low, the data also shows that it has stabilised from the historic 3% average year-on-year decline from nearly 78% in 2018 to 54.7% in 2023. Modelling the data, a stable EAF at 55%, combined with the forecasted rapid growth of wind and solar generation in 2024 and 2025, reduces load-shedding from 2023 levels by 97%. This leaves us with an average of intermittent stage 1 in 2025.

This is interesting data, but data doesn't make decisions and there is a lot of hard work and decisive action required to make sure we realise these positive opportunities. With an end in sight to load shedding, and progress on key reforms such as the Electricity Regulation Amendment (ERA) Bill, the formation of the National Transmission Company and the introduction of a wholesale market, we are starting to rebuild trust in our energy system and the ability to say we have turned the corner on our energy crisis.

ENERGY COUNCIL IN THE NEWS

Energy Council of South Africa joins World Energy Council

The Energy Council of South Africa has become a member of the United Nations-affiliated global body the World Energy Council (WEC), which will serve to strengthen the standing of the Energy Council of South Africa and provide access to a range of international resources and global networks, as well as leading practice across global energy systems.

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Energy Council welcomes IRP extension, calls for strong reform message in SoNA

Energy Council CEO James Mackay has welcomed the decision of the Department of Mineral Resources and Energy to extend the comment period for the draft Integrated Resource Plan (IRP) 2023 by a month and has also called on President Cyril Ramaphosa to use his State of the Nation Address (SoNA) to emphasise government's commitment to "open and robust debate on national energy policy".

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Collaboration and grid investment are key to making 2024 a turning point in SA's power crisis

Load shedding could be over by the end of 2024. For this to be achieved, South Africa's energy investment programmes and reforms must continue, the Energy Availability Factor of Eskom's coal fleet must not decline, and business partnerships and collaboration must hold strong.

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04 March: Africa Gas Forum

04 March: Innovate UK #SmartEnergy Global Innovation Network Launch

05 – 07 March: Africa Energy Indaba

07 March: IPP & PPA Conference

13 – 15 March: First Movers Coalition

FIVE KEY TAKEAWAYS FROM THE BUDGET SPEECH

On the 21st of February 2024, Finance Minister Enoch Godongwana delivered the annual Division of Revenue Bill (Budget Speech) to Members of the National Assembly. Several of the interventions in the Minister's speech centered around the energy sector, with the Minister outlining increased efforts to resolving load shedding and ensuring a sustainable energy sector.

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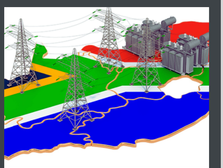

FIVE KEY TAKEAWAYS FROM THE BUDGET SPEECH

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