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# Load shedding highly likely this winter

The possibility of load shedding by Eskom in South Africa this winter is larger than the Day Zero water crisis that engulfed Cape Town until last month, independent energy expert Ted Blom told Fin24 on Wednesday.

Eskom, however, told Parliament in April that South Africa's electricity grid is "stable" as the country heads into the winter months when electricity usage rises.

Eskom told Fin24 on Wednesday that load shedding this winter is not likely, as it implemented plans to manage a shift in plant performance and coal-stock levels.

Blom, however, said Cape Town's Day Zero was avoided by people starting to save water ahead of time. Eskom, on the other hand, only sent out tenders for emergency coal supplies last week after permission was obtained from National Treasury.

Although Eskom's new board is trying to follow compliance in the process, Blom claims the power utility's management should have foreseen six months ago already that there would be a problem with enough coal supplies for the winter electricity spike.

Apart from his own knowledge of the industry, said Blom, his claims are substantiated by reliable sources at Eskom.

"Chances are more than 50% that there will be load shedding this winter. Where is Eskom going to find coal? Coal does not just fall out of heaven. You have to mine it. You need skilled

miners and equipment for that," he said.

He suspects Eskom has a coal shortfall of about a million tonnes per month and is of the view that, even when all is in place to obtain more coal supplies, it will take three to five months to catch up on the backlog - in other words, during the winter period.

Eskom issued a statement in April indicating that seven of its power stations' coal stockpile levels stood at 20 days, below the required target.

Eskom told Parliament's portfolio committee on public enterprises that the coal supply issues are made worse by the fact that Tegeta is in business rescue.

It also told Parliament in April that it has plans in place to manage its primary energy resources and achieve healthy stockpiles across its power stations.

"Eskom has already admitted that it is between 3 and 5 million tonnes of coal short. That is more than half of its stockpiles," said Blom.

"Eskom's board now consists of a lovely bunch of new guys, but they don't know anything about the electricity industry. At least half of Eskom's board should consist of people with knowledge of electricity generation and coal mining.

"Electricity is crucial for South Africa's economy and diesel has already been used for generation since January at a rate of more than R1bn per month."

In Blom's view, South Africa's energy sector

needs a major revamp in which regulation loopholes are closed.

"If Cyril (Ramaphosa) is serious, he should upgrade energy generation regulations and avoid rogue behaviour in the industry," said Blom.

In his view, energy needs to be declared a basic industrial input factor and every measure taken to keep it as cheap as possible.

"Sensible energy policy is probably the most relevant topic in Africa at this time, and the South African policy is clearly not the one to emulate. We need to start our thinking from the ground up, rather than continue with the patchwork efforts of the past. Without affordable cheap energy, economic growth is not possible," he cautioned.

Blom will be a speaker at the upcoming African Utility Week taking place in Cape Town from May 15 to 17, during which over 7 000 decision makers from more than 80 countries will discuss energy and water issues faced on the continent.

Fin24 reported last week that Eskom said it is not bailing out Gupta-linked Optimum Coal Mine, which is in business rescue. This was in response to a report by City Press, claiming the proposed business rescue plan for Optimum would see Eskom pay twice as much for half the coal it can get from the mine.

Eskom has said it is in discussions with the mine's business rescue practitioners and no agreement has been reached. -Fin24