



Progress update on the Energy Action Plan

19 January 2023

Introduction

The Energy Action Plan provides a clear way out of this crisis, but the electricity system will remain under pressure in the short term.

- In July 2022, President Ramaphosa announced a range of measures to tackle the energy crisis in five areas:
 - Fix Eskom and **improve the availability of existing supply**
 - Enable and **accelerate private investment** in generation capacity
 - **Accelerate procurement of new capacity** from renewables, gas and battery storage
 - Unleash businesses and households to invest in **rooftop solar**
 - Fundamentally **transform the electricity sector** to achieve long-term energy security
- The **National Energy Crisis Committee (NECOM)** is fully operational and has established nine workstreams to oversee implementation of the plan.
- Progress has been made in several areas, which **will result in new capacity** over the next 12-18 months.
- However, new generation capacity will take time to connect to the grid at a sufficient scale to close the shortfall in supply. **Improving the performance of the existing fleet is therefore crucial.**
- These actions are being taken alongside a **fundamental restructuring of the electricity sector**, which will establish an independent transmission company, introduce competition in generation, and ensure energy security in the long term.

Composition of the Nekom

Chair



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA



mineral resources
& energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION
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& traditional affairs

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



public enterprises

Department:
Public Enterprises
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forestry, fisheries
& the environment

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA



Secretariat comprises officials from OV, the DMRE and NATJOINTS



mineral resources
& energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

OPERATION VULINDLELA
Supporting the Implementation of Priority Structural Reforms



National Joint Operational Intelligence Structure (NATJOINTS)

External capacity to support implementation

Project management

Legal experts

Energy modelling experts

Energy policy experts

Workstreams

Nine workstreams have been established to ensure delivery against the plan, comprising key officials from various government departments and leading experts in academia, business & society

Workstream 1 focuses on **improvements in the performance and availability of existing Eskom plant**, working closely with Eskom, as well as **expanding and strengthening transmission infrastructure**.

Workstream 2 focuses on **cross-cutting policy, legal and regulatory issues** and decision-making processes.

Workstream 3 focuses on **expediting the connection of generation capacity** from existing and future procurement rounds, as well as on **measures to enable private investment and facilitate small-scale embedded generation**.

Workstream 4 focuses on **enabling emergency procurement of electricity and maintenance**.

Workstream 5 focuses on **improving demand management** and ensuring implementation of **energy efficiency and customer response measures**.

Workstream 6 oversees a **coordinated plan by law enforcement agencies** to address sabotage, theft and fraud at Eskom.

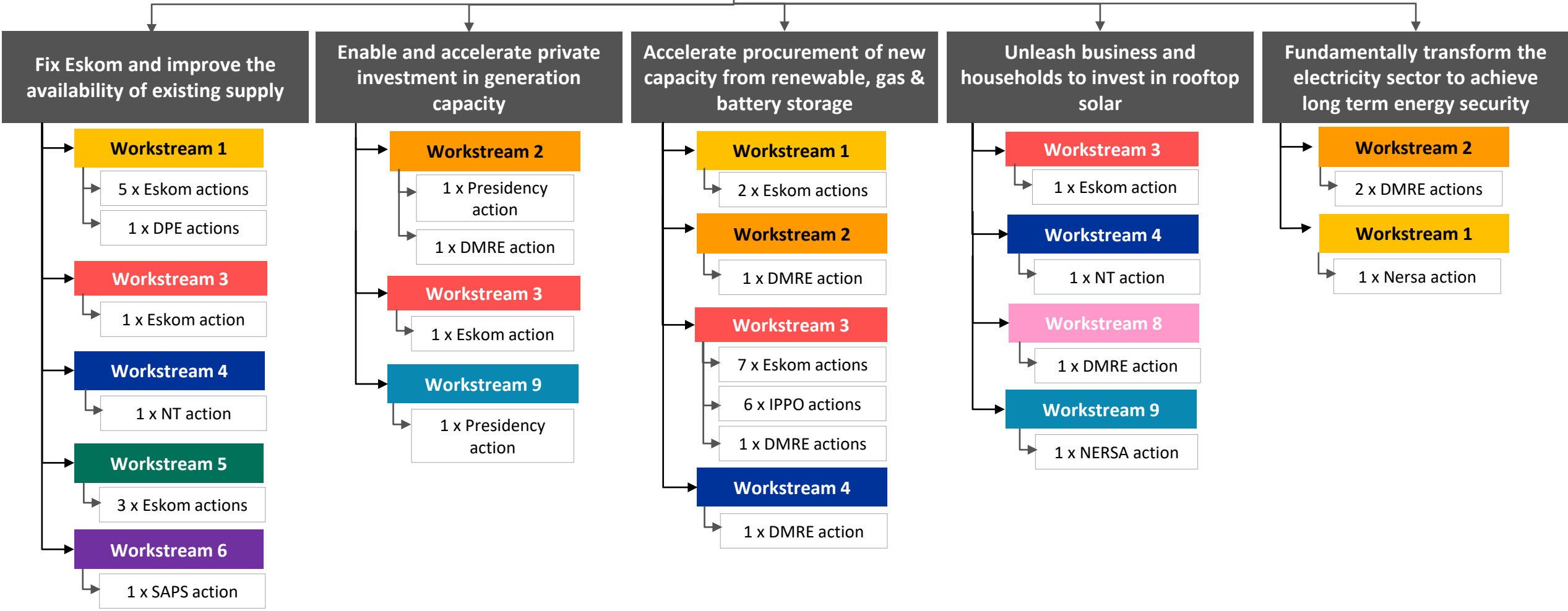
Workstream 7 provides **ongoing data and research support**, including **modelling the impact of measures** to address the energy shortfall.

Workstream 8 focuses on **communicating the strategy to the public** in a coherent and effective manner.

Workstream 9 will focus on **addressing challenges at distribution level**, including **enabling wheeling of electricity** across the grid.

Overview of the Energy Action Plan

GOAL: To end load shedding and achieve energy security



Fix Eskom and improve the availability of existing supply

Enable and accelerate private investment in generation capacity

Accelerate procurement of new capacity from renewable, gas & battery storage

Unleash business and households to invest in rooftop solar

Fundamentally transform the electricity sector to achieve long term energy security

Workstream 1

- 5 x Eskom actions
- 1 x DPE actions

Workstream 3

- 1 x Eskom action

Workstream 4

- 1 x NT action

Workstream 5

- 3 x Eskom actions

Workstream 6

- 1 x SAPS action

Workstream 2

- 1 x Presidency action
- 1 x DMRE action

Workstream 3

- 1 x Eskom action

Workstream 9

- 1 x Presidency action

Workstream 1

- 2 x Eskom actions

Workstream 2

- 1 x DMRE action

Workstream 3

- 7 x Eskom actions
- 6 x IPPO actions
- 1 x DMRE actions

Workstream 4

- 1 x DMRE action

Workstream 3

- 1 x Eskom action

Workstream 4

- 1 x NT action

Workstream 8

- 1 x DMRE action

Workstream 9

- 1 x NERSA action

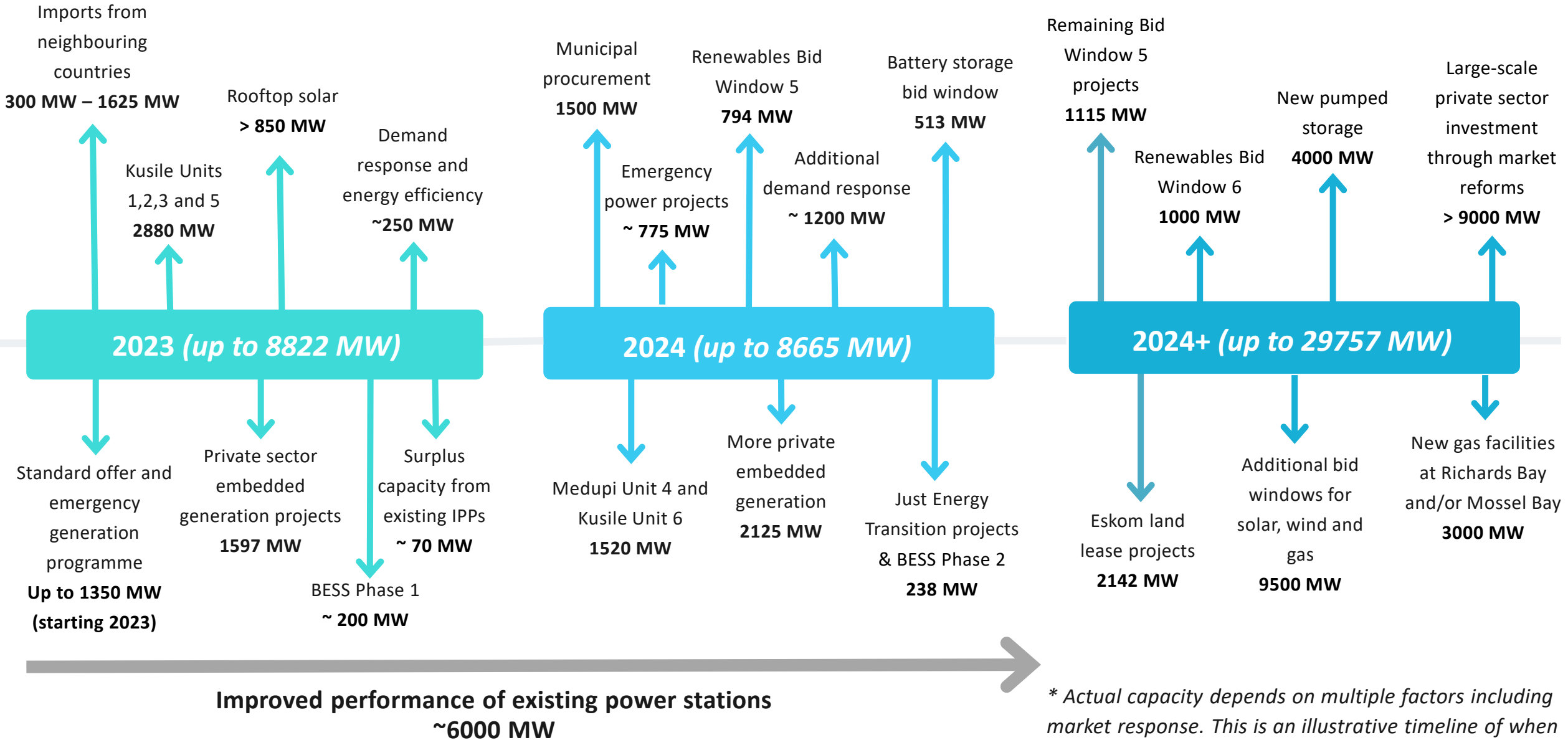
Workstream 2

- 2 x DMRE actions

Workstream 1

- 1 x Nersa action

ROADMAP TO END LOAD SHEDDING



** Actual capacity depends on multiple factors including market response. This is an illustrative timeline of when additional power is expected, and is subject to revision.*

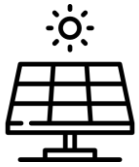
Examples of key achievements since July 2022



Final **amendment to Schedule 2 of the Electricity Regulation Act published**, removing the licensing requirement for generation projects to enable private investment



NERSA concurrence received for **Ministerial determination of 14771 MW of new generation capacity** from wind, solar and battery storage (remaining allocation in the IRP 2019)



Signed project agreements for 19 projects from Bid Window 5 representing 1800 MW of new capacity, and for **six projects from Bid Window 6** representing 1000 MW



Pipeline of **private sector generation projects** has increased to over 100 projects representing more than 9000 MW of new capacity, which will begin to connect to the grid from this year



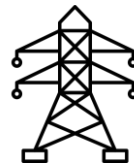
Gazetted embedded generation projects as Strategic Infrastructure Projects (SIPs), reducing the timeframe for environmental authorization to 57 days



Detailed **turnaround plans being implemented in six power stations** to recover additional capacity, with support from outside experts



An additional **300 MW has been procured from Southern African Power Pool**, and a further potential 1000 MW through bilateral agreements



The Transmission Development Plan has been updated, and will see **2890km of new high voltage lines and 60 transformers by 2027**.

Accelerating implementation of the Energy Action Plan: Key elements of the plan that can “shift the dial”

Adding new capacity in the short term

- 1 Improving plant performance through the Generation Recovery Plan (Ongoing over 24 months)
- 2 Procurement of emergency power (February 2023)
- 3 Import of additional power from neighbouring countries (already being implemented)
- 4 Feed-in tariff and net metering guidelines to turbocharge rooftop solar (February 2023)
- 5 Enhanced demand response programme and national campaign on energy efficiency (Ongoing)
- 6 Streamlining regulatory processes and establishing the One-Stop Shop (Feb 2023)

Putting key enablers in place

- 1 Transmission strengthening to alleviate grid capacity constraints (Ongoing)
- 2 Effective wheeling framework and grid connection rules to enable private investment (February 2023)
- 3 Omnibus Bill (“Energy Security Bill”) and ERA Bill to accelerate market reforms (Feb 2023)
- 4 Ramping up efforts to address security issues, including theft of coal and sabotage
- 5 Resolving Eskom’s debt burden, stabilizing management, and enabling more agile procurement of maintenance and spare parts (February 2023)