



## **Environment Digest 18**

**June 18<sup>th</sup> 2020**

### **Eskom and the future of power supply**

Eskom's debt burden continues to be a challenge, and one of the economy's biggest threats, as the utility struggles to improve its financial performance due to a number of reasons, including continuous decline in demand for electricity.

<https://www.news24.com/fin24/economy/eskom/eskom-aims-to-cut-its-debt-load-by-more-than-half-to-r200bn-20200521>

### **Restructuring**

The plan to restructure and split Eskom into three separate entities (generation, transmission and distribution) in order to make it more efficient and to ensure its sustainability has been delayed as more time is needed to thrash out the legal processes, which are taking longer than expected.

<https://www.moneyweb.co.za/news/south-africa/eskom-ceo-on-the-need-to-restructure/>

<https://m.engineeringnews.co.za/article/eskom-informs-lawmakers-it-will-not-meet-dpes-unbundling-timeline-2020-06-03>

### **Demand and supply**

During lockdown there has been no load shedding, which is attributed to limited industrial and economic activities as most businesses temporarily closed to adhere to regulations. Level 3 of the regulations has allowed for most businesses in almost all sectors to open, under limited restrictions, which will prompt an increased demand for electricity.

<https://www.thesouthafrican.com/news/eskom-will-there-be-load-shedding-at-level-3-lockdown/>

### **Nuclear back on the block**

Most of Eskom's fleet of coal-fired power-stations are old and due for decommissioning in the near future, which will have an increased impact on capacity generation for the utility, which was already failing to meet electricity demand before COVID-19. The Department of Mineral Resources and Energy (DMRE) has resolved to close that gap by re-introducing nuclear power into the system. For years, this has been a highly contested alternative, given the controversial and opaque political deals surrounding it.

<https://m.engineeringnews.co.za/article/mantashe-justifies-controversial-nuclear-rfi-on-basis-of-long-lead-time-involved-2020-06-14>

<https://m.engineeringnews.co.za/article/environmentalists-call-for-end-to-new-nuclear-build-ambitions-2020-06-11>

### **Alternatives and sustainability**

The nuclear build alternative was also challenged for its high costs per kilowatt-hour, which have over the years increased in comparison to electricity generated from South Africa's abundant natural resources such as solar and wind. Recent research indicates that it would be much easier to convert the ageing coal fired power plants into renewable energy plants, instead of building new and relatively unsustainable nuclear plants.

<https://theconversation.com/the-case-for-turning-south-africas-coal-fields-into-a-renewable-energy-hub-138315>

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