

## Investors won't fund fossil fuels

Even if the country remained committed to long-term coal-fired energy in a world rapidly transforming to green energy, it would have difficulty finding investors to build the infrastructure, said Phakamani Hadebe Eskom chief executive at the National Utility Week and Powergen Africa conference in Cape Town.

 By [Nicci Botha](#) 17 May 2019



Eskom chief executive, Phakamani Hadebe

“The world is changing and it’s changing fast. The energy sector is not isolated unless we endorse and adopt to that changing world we will be left behind,” he said, adding that South Africa aims at progressively reducing its coal usage to 30% of the country’s share of energy needs by 2040.

Given that the Eskom’s ageing fleet is due for decommissioning, investment decisions need to be made to meet the 1,500GW required for a growing economy. In addition, Hadebe said, global investors have indicated that they won’t fund coal, as have South Africa’s Big 4 banks.

“We need to make a concerted effort for off-grid solutions and transformation of the traditional model through emerging technologies.”

One area of concern is the volume of water used to produce power. “Eskom uses about 2% of South Africa’s fresh water, which is very high. We intend to reduce this through dry cooling. This has dramatically reduced the utility’s water use from 2 l/kWh to 0.14 l/kWh in recent years. “Medupi and Kusile may have their own problems but they have the biggest dry cooling in the world,” he said.

### Regional cooperation

He emphasised the importance of regional cooperation, such as the Southern African Power Pool (Sapp), to reduce the power generation costs.

Hadebe pointed out that South Africa sources 1,200MW of electricity from the Cahora Bassa hydroelectric power scheme through its power supply partnership with Mozambique. When the lines of supply were

disrupted by Cyclone Idai, South Africa was plunged into Stage 4 load shedding overnight, emphasising the need for alternative sources of power.

“A much more integrated regional power grid needed to be created, and a more conducive environment was required to be able to attract development finance institutions to finance new energy infrastructure,” Hadel said.

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.  
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