

## Eskom can cut Billiton's power if it wants to

Eskom has invoked its right to disrupt the power supply to BHP Billiton's aluminium smelters in the case of an emergency as demand by households showed signs it will exceed the state-owned utility's capacity to generate enough power this winter.

By Monde Maoto 18 Jun 2013



The demand forecast showed South Africa was on the brink of plunging into blackouts similar to those experienced in 2008.

Delays in commissioning the Medupi power plant and maintenance of Eskom's existing power-generating facilities are largely responsible for reducing the utility's spare capacity.

In the event of an emergency, Eskom will exercise its option to redirect over 2,000MW of power from the Hozatel smelter in KwaZulu-Natal and the Mozal smelter in Mozambique to the grid, as part of a supply agreement that allows it to interrupt the power supplied to the smelters for up to two hours a week, at any given time.

BHP Billiton SA had not yet been informed of how much power would be taken away from it, spokeswoman Lulu Letlape told Business Day last week.

She said it was not yet clear how many of its potlines would be affected by a possible shutdown. If power smelters is shut down, it forces the plant to operate at reduced capacity and it is usually costly to restart the smelter once power is fully restored.

BHP Billiton is Eskom's single biggest consumer. In the 1990s, the company signed a controversial power supply agreement at a lower rate than other industrial customers, which Eskom has been trying to have reviewed since 2004 - so far unsuccessfully.

Eskom said last week that it expected demand to peak at 35,364MW against the available capacity of 34,9740MW to meet that demand, resulting in a power deficit of 394MW.

"The risk that we flag is that our margins are very, very tight," said Eskom spokeswoman Hilary Joffe said.

Joffe said the utility will be speeding up the maintenance of its power-generating fleet in an effort to raise its capacity and avert a collapse of the national grid.

Eskom's margin is the thinnest since the power cuts in 2008.

Demand is expected to remain high for the rest of the winter

Source: Business Day via I-Net Bridge

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