

## Eskom warns of power shortfall over next 5 years

One day after the country suffered another bout of load shedding, President Cyril Ramaphosa once again reiterated the importance of a reliable power supply in growing South Africa's economy in his State of the Nation Address (Sona). But Eskom warns of a power shortfall over the next five years.



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Eskom estimates that, without additional capacity, there will be an electricity supply shortfall of between 4,000 and 6,000M over the next five years, as old coal-fired power stations reach their end of life.

“ *President Ramaphosa: The Department of Mineral Resources and Energy will soon be announcing the successful bids for 2,000 megawatts of emergency power. [#SONA2021](#)— Parliament of RSA (@ParliamentofRSA) [February 11, 2021](#)* ”

"As part of the measures to address this shortfall, we will in the coming weeks issue a request for proposals for 2,600MW from wind and solar energy as part of Bid Window 5. This will be followed by another bid window in August 2021," Ramaphosa said.

He said that government and its social partners signed the historic Eskom Social Compact, which outlines the necessary actions we must take, collectively and as individual constituencies, to meet the country's energy needs now and into the future, in December 2020. "Over the last year, we have taken action to urgently and substantially increase generation capacity in addition to what Eskom generates."

“ *President Ramaphosa: Government will soon be initiating the procurement of an additional 11,800 megawatts of power from renewable energy, natural gas, battery storage and coal in line with the Integrated Resource Plan 2019. [#SONA2021](#)— Parliament of RSA (@ParliamentofRSA) [February 11, 2021](#)* ”

### Changing legislation

He said that recent analysis suggests that easing the licensing requirements for new embedded generation projects could unlock up to 5,000MW of additional capacity and help to ease the impact of load shedding.

“ President Ramaphosa: We will therefore amend Schedule 2 of the Electricity Regulation Act within the next three months to increase the licensing threshold for embedded generation. #SONA2021— Parliament of RSA (@ParliamentofRSA) [February 11, 2021](#) ”

Key stakeholders will be consulted on the level at which the new threshold should be set and the finalisation of the necessary enabling frameworks, and Eskom has already started work to expedite its commercial and technical processes to allow this additional capacity onto the grid, he said.

## Climate change

“ President Ramaphosa: Eskom, our largest greenhouse gas emitter, has committed in principle to net zero emission by 2050 and to increase its renewable capacity. Eskom will be looking to partner with investors to repurpose and repower part of its coal fleet. #SONA2021— Parliament of RSA (@ParliamentofRSA) [February 11, 2021](#) ”

"This will be done in a way that stimulate investment, local economic activity and local manufacturing, as part of a just transition," Ramaphosa said.

The Presidential Coordinating Commission on Climate Change will be meeting for the first time this month. when it will be working on a plan for a just transition to a low-carbon economy and climate resilient society, Ramaphosa said.

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