

# Kusile and Medupi design defects rectified, yet load shedding goes on

Although the design defects at five units at Medupi and Kusile power stations been corrected, this has not done much to relieve the current state of load shedding in country.



Eskom head office

"Kusile Unit 2 has added 720MWs to the national grid since its commercial operation in October 2020. Major defects at Ingula Pumped Storage Scheme, have been addressed and each of the four units are now performing at full capacity of 331MW from previous 245MW.

and this will contribute to sustainable energy provision by our new build programme," says deputy president, David Mabuza.

However, the country has been struggling with level 2 load shedding this week, set to last until the weekend.



Eskom commits to complete Medupi power station this year

29 Jun 2020



"Further, transmission network performance has returned to expected levels, and distribution performance remains stable," he said.

## Balance sheet

Efforts to improve the utility's income statement, Eskom has realised savings of R4bn that was declared against a target of R3.1bn. This will further be complemented by a tariff increase of 15% for the 2022 financial year which has been granted to Eskom.

In terms of employee costs, the second round of voluntary severance packages are underway, and net savings are expected to be realised in the 2022 financial year.

The deputy president said efforts are underway towards ensuring that procurement savings are delivered on.

A R7.5bn savings on capital expenditure has also helped the balance sheet.

Processes are also underway to dispose non-core properties.

## **Restructuring**

As far as the restructuring of Eskom into three divisions is concerned, the deputy president said the division of the power utility was completed by March 2020 as the first step towards business separation, with functional separation to be completed by March 2021.

Establishing a separate transmission subsidiary is still targeted for completion by December 2021, with generation and distribution by December 2022.

He said finalising this process will create the required certainty for prospective investors in generation capacity, in turn ensuring that bids are fairly adjudicated, relative to Eskom generation.

“As the Political Task Team on Eskom, we are comfortable with the notable progress in Eskom’s recovery of its operational performance that has been made thus far,” Mabuza said.

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