

Eskom to keep the lights on despite Medupi delay

There will be no load shedding as a result of delays at the Medupi power plant, says Eskom.



The utility said it had also made progress in the introduction of renewable energy to the grid.

"We have not had any load shedding. From our perspective, there's no direct relation between the Medupi delays and any load shedding," Eskom Chief Executive Officer Brian Dames said.

Dames was speaking on Wednesday at the release of the utility's financial results.

The financial report reviews the company's overall performance for the financial year from 1 April 2012 to 31 March this year.

The parastatal on Monday announced delays at the coal-fired Medupi plant in Limpopo. The first unit of the plant was supposed to start generating first power in December 2013. It was announced on Monday that the first unit would only generate power in the second half of 2014.

The utility is facing a R225bn shortfall after receiving an 8% annual tariff increase over a five-year period from the National Energy Regulator of South Africa (Nersa). The utility had applied for a 16% tariff hike.

"If you look at the regulator's decision, [R34bn of the R225bn shortfall] will be in the first two years. The majority of that is in the other three years," said Dames.

He said the utility had no intention to approach the regulator for these two years.

"In that regard, we are comfortable that we have a clear game plan in place for the first two years. And a lot of work will have to be done. We have no intention to go to the regulator and have a tariff discussion within the next two years," he said.

Eskom's achievements

The utility said significant progress had been made on its new build programme in the year under review, with a record R60bn invested in infrastructure in the same period.

The new build programme began in 2005.

Eskom also made progress in the introduction of renewable energy to the grid. At the end of March 2013, Eskom had contracted a total capacity of 1 135 MW from Independent Power Producers.

The utility continued to develop skills, training 2 144 engineers, 835 technicians and 2 847 artisans.

Eskom also saw the resignation of Paul O'Flaherty, the utility's finance director and head of group capital. He resigned in November 2012.

"Paul has made an enormous contribution to Eskom since he joined us in 2010," said Dames on O'Flaherty's last day at Eskom.

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