



ELECTRICITY SUPPLY GAP MITIGATION OPPORTUNITIES



Date

3 September 2022



Time

12h00



Venue

Durban ICC

EIUG

*Energy Intensive
Users Group SA* Est. 1999

Collaborative, Credible, Progressive

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EIUG at a glance

Energy Intensive Users Group of Southern Africa (“EIUG”) was established in 1999 as a voluntary, non-profit association. It was incorporated as a Non-Profit Company in 2019

The group was founded on the belief that energy is the engine for economic growth and development in the country

Our members currently account for c.40% of the electrical energy consumed and collectively contribute to c.22% of the South African GDP

The EIUG believes that:

- A healthy and effective industry is essential for the long-term economic growth and social well-being of all South Africans;
- The energy industry can be enhanced by active involvement, engagement and participation in energy-related activities and through collaboration amongst stakeholders; and
- A common vision on the future of the energy sector will unlock synergies for all stakeholders.

The EIUG aims to achieve:

- Affordable and Sustainable Electricity Pricing
- Security of Supply
- Quality of Supply
- Decarbonisation of Energy

Our view on the national electricity crisis

- The EIUG believes we are in a national electricity crisis, with resultant adverse impacts on livelihoods, our economy and the reputation of our country.
- The situation also threatens the competitiveness and sustainability of our members, together with their ability to retain employment and contribute economically.
- We thus welcome the President's plan and concur with the interventions on maintenance improvement, demand side management, additional generation capacity and the electricity sector reforms, together with a multi-stakeholder platform to identify solutions and monitor execution.
- We also welcome the reconstitution of the Eskom Board which we believe has well balanced skills and experiences to turn Eskom around.
- The crux of the matter will be the implementation of the plans which will require swift action by all role players in recognition of the enormity of the energy crisis.
- We believe the task of mitigating risks related to system performance and defining future electricity supply is too complex to be resolved by Eskom alone. It requires active participation by all stakeholders.

Contributions & Impact: EIUG Members

- **The Contribution by Members:**
 - Demand Response Program Participation
 - Stage 1&2 Load Curtailment @ 10% reduction of electricity consumption
 - Stage 3 Load Curtailment @ 15% reduction of electricity consumption
 - Stage 4 Load Curtailment @ 15% reduction of electricity consumption
 - Special interventions for voluntary reduction
 - Demand Side Management (incl. EE)
 - Investments in self-generation projects
- **Impact to members:**
 - Immediate production losses
 - Loss of global competitiveness
 - Lack of confidence in investments – current production and growth
 - Direct impact on economic growth and job creation/retention
 - Safety risk to employees

Four primary focus areas to resolve the electricity crisis

1	DEMAND SIDE MANAGEMENT	Urgent identification and incentivising of demand management measures to improve energy efficiency in a manner that does not negatively impact productivity
2	SUPPLY SIDE – ESKOM	Immediate actions required for Eskom to improve its plant availability (EAF) through effective maintenance and robust performance monitoring
3	SUPPLY SIDE – PUBLIC AND PRIVATE SECTOR	Execution of public and private generation projects to aid in closing the short- and long-term electricity supply gap
4	TRANSMISSION, DISTRIBUTION AND SYSTEM OPERATION	Critical need to strengthen our grid and ancillary services in order to maximise renewable energy penetration and improve stability and integrity

The initiatives will require co-ordinated execution across the private sector, Eskom and Government and it's agencies

Our view on:

The National Energy Crisis Committee and Execution and Monitoring

We welcome the committee establishment and suggest it is used as a multi-stakeholder platform to refine or identify new solutions and monitor execution.

The following should be considered:

- Need for inclusiveness and transparency regarding composition
- Refining and improving action plans
- Monitor execution and hold accountable parties where applicable
- Act as a centre not only for the crisis but mapping out future ESI
- Provision for bilateral engagements as parties deem fit to do so, in order to fast-track actions

Conclusion

- **These initiatives require coordinated and simultaneous implementation in order to resolve the current electricity crisis.**
- **Strict timelines and focus on joint delivery – We cannot afford as a country to get stuck in the planning phase.**
- **In order to fundamentally transform the electricity sector to achieve long term energy security, the EIUG believes a common electricity supply industry (ESI) vision must be co-developed and agreed amongst the ESI stakeholders.**
- **The consumers and electricity services providers are partners and must ensure each others sustainability in order to flourish and create shared value for the country and its people**



Thank You

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