

The President blacks out on alternative electricity promises

By Kevin Mileham MP – DA Shadow Minister of Mineral Resources and Energy

Chairperson,

Let me start by wishing Minister Mantashe a speedy recovery.

At the height of stage 6 loadshedding, President Ramaphosa promised a fundamental shift in South Africa's approach to power generation. He spoke of how government had agreed to allow users to generate power for their own use, and how government had launched an emergency power purchase programme to fill the current short-term supply gap and to reduce the use of expensive diesel generators during peak times.

But in reality, nothing has changed. The amendments to Schedule 2 of the Electricity Regulation Act, which would allow own generation, did not increase the licence exemption threshold to 10MW, as had been widely anticipated. So much for being *"determined to remove the bureaucratic constraints to self-generation and have those users with the capacity producing their own power."* The emergency power procurement programme, intended to address the short-term supply of electricity and add between 2000 and 3000MW to the grid, has not yet purchased a single megawatt, and it seems unlikely to do so before the end of 2021.

At the State of the Nation this year, the President said that in order to rapidly and significantly increase generation capacity outside of Eskom, a Section 34 ministerial determination would be issued to give effect to the Integrated Resource Plan, enabling the development of additional grid capacity from a variety of sources. He promised to open bid window 5 of the renewable energy independent power producer programme. None of that has happened yet.

But we shouldn't be surprised. This President is renowned for his failure to keep his promises when it comes to our electricity supply. In September 2015, addressing the National Council of Provinces, he said: *"In another 18 months to two years, you will forget the challenges that we had with relation to power and energy and Eskom ever happened."* And at the February 2019 SONA, he assured the nation that *"Eskom has made much progress in implementing its nine-point plan, ensuring better maintenance of its general fleet, reducing costs and ensuring adequate reserves of coal."* That worked out well, didn't it?

If he really meant what he said at SONA this year, the President would direct this department to immediately open up REIPP Bid Window 5. He would instruct NERSA to urgently finalise the section 34 determinations they are considering. He would encourage parliament to support the Independent Electricity Management Operator Bill currently before it, to ensure a level playing field for all electricity generation entities and companies. He would order the immediate amendment of the licencing threshold for own generation. He would ensure that the IPP office was working on urgently bringing the independent power producers who have submitted proposals for the emergency supply of electricity on board.

It is absolutely unbelievable that after four months of reduced demand, ESKOM has not been able to address its maintenance problems. It is unacceptable that the Deputy President has unilaterally changed the mandate of what was originally called the "Energy War Room" from *"deal[ing] with any challenges to our energy supply in the country"*, according to the cabinet minutes, to propping up ESKOM at any cost and in the process apparently renaming it the "Political Task Team on ESKOM". It is unconscionable that the Department of Mineral Resources and Energy has seen fit to effectively cancel its single biggest service delivery programme, the Integrated National Electrification

Programme, which rolls out proper electrical connections to hundreds of thousands of households annually. And it beggars belief that South Africa has done little to no proper planning to replace the power plants that are being decommissioned. The President's broken promises just don't cut it any more.

Instead, we are held hostage by an increasingly hidebound ANC, who see every attempt to modernize the electricity generation sector and spread the supply of electricity across a broad spectrum of power producers, as an attack on the state and an effort to reintroduce apartheid. It's not.

We cannot sit idly by and hope that ESKOM will solve our problems. It won't. Nor has President Ramaphosa or this government shown any indication that they have the political will to do more than talk about the real issues.

It is past time for action, for implementation. And if government cannot do it, it should get out of the way and let the private sector step up.

The Democratic Alliance will not support this budget.