

MEDIA STATEMENT

09 November 2021

Business Unity SA on Eskom Leadership and Load shedding

BUSA has long lamented the dire economic impact of load shedding. The country has experienced sometimes prolonged bouts of load shedding for over 13 years, despite additional capacity coming online.

BUSA recognises that the fundamental issue lies in years of irreversible damage inflicted on the utility over more than a decade of state capture and corruption which resulted in critically undermaintained plant. Despite the deep maintenance programme, the trend shows an increasingly worsening energy availability factor with more and more faults identified and more unplanned outages because of the aging and poorly maintained plant.

BUSA notes the recent calls for the resignation or termination of the Eskom Executive leadership and Board. BUSA rejects these calls and stands with the Eskom leadership in these difficult times. It does not help to exacerbate the ongoing operational crisis by creating a leadership and governance crisis at Eskom. We are of the view this leadership has taken the tough decisions, shown remarkable openness and transparency and, critically, developed a progressive future-looking plan that will see the diversification and decarbonisation of the electricity supply system in South Africa.

Eskom's leadership has been clear, given the state and age of the plant, maintenance alone will not address the real and worsening supply crisis – new capacity must urgently be added to the grid.

BUSA maintains that the fastest, least cost, and low carbon path to ensure affordable and reliable energy is through the accelerated implementation of the IRP guided REIPP programme. Government must urgently issue further RFP for much higher allocations of capacity. BUSA further urges emergency procurement of any capacity that can supply immediate capacity to the grid, such as through cogeneration and other technologies that participated in the previous short-term power producer programme.

We also urge even greater transparency, with the board and leadership erring on the side of more information to the public than less. BUSA also believes we need to pull together as a country, as we demonstrated a Team SA effort at COP26, to address this crisis. The cost to the economy, including to small and medium enterprises, and the severe inconvenience and cost for citizens is becoming incalculable. BUSA thus offers to mobilise capacity, as we have consistently offered to government, to work with the Eskom team to make significant progress in addressing the short-term issue of such extended periods of load shedding, but also to address the myriad of issues at Eskom in a systemic way!

Finally, we call on the President and his Cabinet to demonstrate decisiveness in this crisis. The President must demonstrate to the nation that government is doing everything in its power to address this crisis!

ENDS

Cas Coovadia
Business Unity SA CEO

For more information, please contact:

Sizwe Maswanganye

Tel: 011 784 8000

Email: sizwe.maswanganye@busa.org.za