

# Engagement with the Portfolio Committee on Electricity and Energy (PCEE)

**Dan Marokane**  
**Group Chief Executive**

4 December 2024





## ▪ Overview and performance update

▪ Financial outlook

▪ Legal Separation Update

▪ FY25 operational performance including summer outlook

▪ Socio-economic impact of decommissioning

▪ Conclusion

- Our strategy embraces the dual commercial and social mandates, with immediate focus on the turnaround whilst also attending to long-term objectives
- Financial and operational performance have improved, with **8+ months of no loadshedding, and a saving of R16.33bn in diesel cost**. Effort is still required to ensure the recovery is sustainable
  - The **SHC KPIs** are **projected** to be **mostly achieved**, with continuous improvement in our processes. Targeted interventions are being implemented to address our challenges to improve performance against the shareholder's targets
  - The **improvement in our operational performance together with our cost savings interventions** will drive an improvement in our financial year end performance
  - **Limited success with Municipal Debt interventions** is undermining the effectiveness of finance strategy. Municipal debt including metros growing by more than R10 bn/annum
  - We are making **progress in stopping the leakage by addressing fraud and corruption**, while at the same time **driving people focused interventions** to ensure the sustainability of the turnaround
- Operationally, we are **performing better than forecasted in our moderate Summer 2024/25 outlook** because of consistent decline in unplanned load losses on the back of the disciplined execution of our generation recovery plan
- The **legal separation programme remains a key priority** for Eskom with the most recent achievement of NTCSA trading since July this year. Our focus shifts towards ensuring Distribution is adequately prepared for its separation process
- Our **revised approach to the just energy transition**, together with the **clean energy pipeline** is intended to ensure **continued security of supply and mitigate the socio-economic impact** of the transition





**Mteto Nyati**  
**Board & GSC**  
**Chairman**



**Fathima Gany**  
**ARC**  
**Chairperson**



**Tryphosa Ramano**  
**IFC**  
**Chairperson**



**Bheki Ntshalintshali**  
**SES**  
**Chairperson**



**Clive Le Roux**  
**BOPC**  
**chairperson**



**Dr Claudelle von Eck**  
**HCR**  
**Chairperson**



**Ayanda Mafuleka**  
**Non-exec**  
**Director**



**Dr Tsakani Mthombeni**  
**Non-exec**  
**Director**



**Lwazi Goqwana**  
**Non-exec**  
**Director**



**Dr Busi Vilakazi**  
**Non-exec**  
**Director**



**Leslie Mkhabela**  
**Non-exec**  
**Director**



**Dan Marokane**  
**Group CEO**



**Calib Cassim**  
**Group CFO**

# The Eskom Executive Committee



**Dan Marokane**  
**Group Chief Executive**



**Calib Cassim**  
**Chief Financial Officer**



**Bheki Nxumalo**  
**Group Executive: Generation**



**Monde Bala**  
**Group Executive: Distribution**  
**Acting Group Executive HR**



**Roman Crookes**  
**Group Executive: Group Capital**



**Portia Mngomezulu**  
**Group Executive: Corporate Services**



**Nontokozi Hadebe**  
**Group Executive: Strategy & Sustainability**

## Permanent invitees



**Len de Villiers**  
**Chief Technology & Information Officer**



**Alfred Seema**  
**Group Executive: Strategic Delivery**



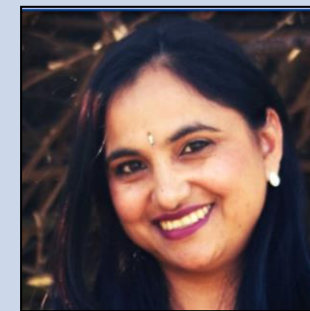
**Segomoco Scheppers**  
**Interim CEO NTCSA**



**Jerome Mthembu**  
**Head of Legal and Compliance**



**Mlawuli Manjingolo**  
**Company Secretary**

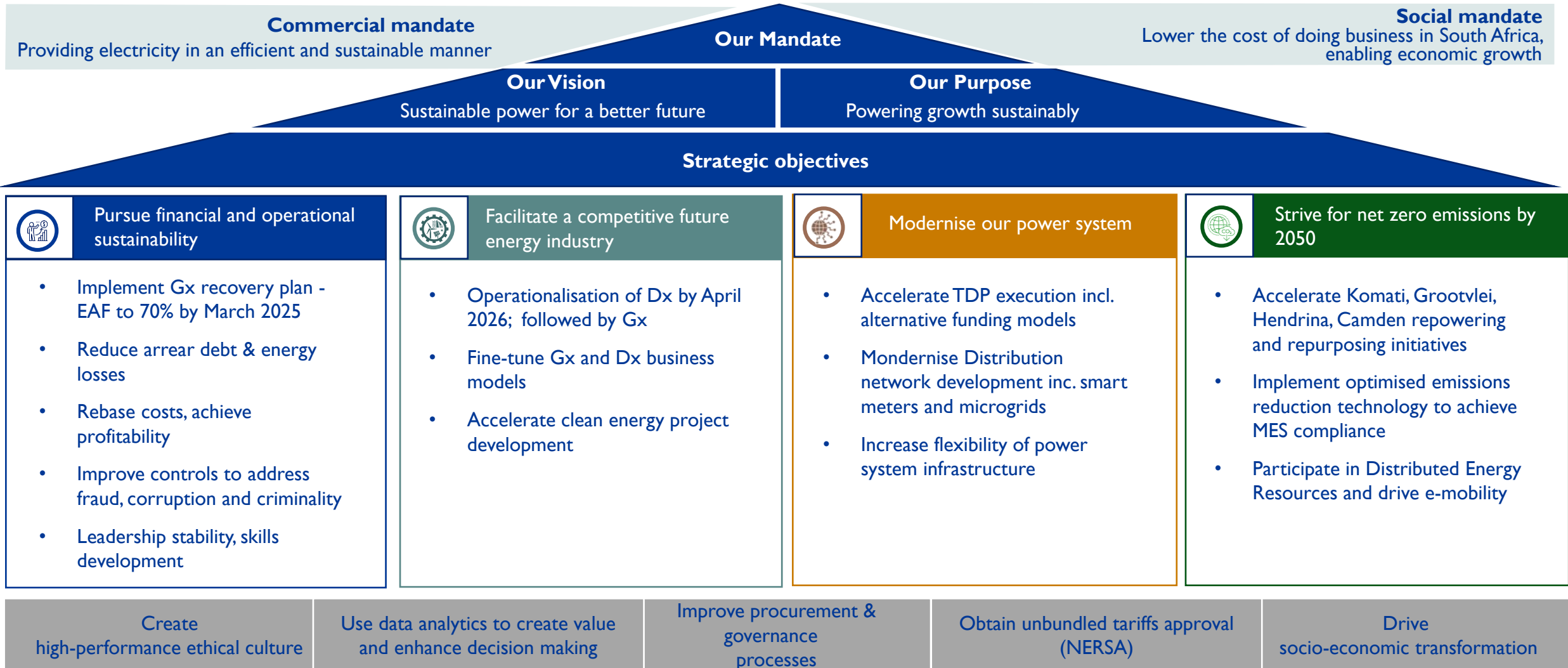


**Ureka Rangasamy**  
**Chief Audit Executive**



**Tembela Kulu**  
**General Manager: Investigation & Security**

# Our strategy embraces the role we need to play in SA and the need to balance the turnaround and long-term objectives



## OUR VALUES:



Zero Harm



Integrity



Innovation



Sinobuntu









Customer Satisfaction



Excellence

We have made good progress in implementing interventions to improve financial and operational performance, effort is still required to ensure the recovery is sustainable

Our focused efforts are yielding **encouraging results**

-  **8 months (240+ days)** of no loadshedding
-  **~R16.33bn** Reduction in diesel spend compared to the same period in the previous financial year
-  **3470 MW** Grid capacity that can be made available implementing curtailment (Eastern and Western Cape)
-  **20 MW** of battery energy storage (BESS) commissioned in Worcester
-  **1 Jul 2024** National Transmission Company of South Africa trading date
-  **JET<sup>1</sup>** strategy decoupled from shutdown plan to balance security of supply and accelerate R&R implementation

and more will be achieved with **greater focus** on ...

- ~2524 MW** to be brought online by end of FY25 (return of Medupi U4 & Koeberg U2 and Kusile U6 synch)
- ~R250 bn** Converted to equity by fulfilling the National Treasury Debt relief to reduce **debt levels**
- Munic debt** working with government to **address growing municipal debt and structural reforms**
- Unbundling** NEDCSA<sup>2</sup> unbundling and NewCo<sup>3</sup> establishment
- Infrastructure** Execution of capital projects (TDP<sup>4</sup> and clean energy)
- Local communities** increase focus on **socio-economic initiatives in communities impacted by planned shutdown**

Stabilised leadership, increased accountability and autonomy as well as Eskom employees' commitment are the key enablers for our success



We are forecasting to achieve majority of our SHC KPIs, while we continue to enhance our processes to improve performance in areas that require further attention



### Generation (9)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
EAF (%)	62.97	62.00	65
PCLF (%)	10.93	10.50	6.7
Emissions (kg/MWhSO)	0.55	0.50	0.30
Water consumption (l/kWhSO)	1.44	1.43	1.37
AEL compliance (%)	87.40	89.00	90
Coal purchases (R/ton %)	3.0	12.9	10
Generation Capacity (MW)	800	800	800
Microgrids at Komati (#)	13	30	30
Grootvlei Horticulture Facility (%)	50	100	100

### Focus on Safety (1)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
Lost Time Injury Rate	0.30	0.32	0.3

### Distribution (3)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
SAIDI (Hours)	34.3	36.2	38
Energy losses (%)	10.42	10.42	9.65
Payment levels (%)	94.25	93.40	94

### Transmission (3)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
System minutes <1 (minutes)	2.41	4.00	3.53
Tx lines installed (km)	75.8	286	286
Transformer capacity (MVA)	200	2380	2380

### Finance (4)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
EBITDA (Rmn)	TBC	TBC	67 120
Cash interest cover (ratio)	TBC	TBC	1.92
Debt service cover (ratio)	TBC	TBC	0.76
Savings from turnaround (Rbn)	TBC	TBC	5.4

### Corporate (4)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
CSI spend (Rmn)	55.70	146.1	146.1
RT&D (%)	39.45	95	95
Blockchain adoption (%)	25	30	40
Dx legal separation (date)	No	Yes	30/6/24

### Human Resources (2)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
New Learner Enrolment	26	290	290
Training Exp.As % of gross employee benefit	4.26	4.30	3.75

### P&SCM (6)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
Preferential procurement (%)	107.26	80	80
Local content (%)	65.63	60	80
BBEEE score (no.)	3	3	4
Enterprise development (Rmn)	1.16	2.50	5
Supplier Development (Rbn)	0.42	3.50	6
NIPP (%)	100	100	100

### Forensics (5)

<u>KPI</u>	<u>Q2 Actual</u>	<u>YE Proj</u>	<u>YE Target</u>
Report assessments (%)	96	70	70
Investigation commenced (%)	4	70	70
Recommendation impl. (%)	--	40	70
Clearance Assessments (%)	70	70	70
Background Checks (%)	56	80	60



# Targeted interventions are being implemented to address areas that need performance improvement

## Description

## Intervention



### Generation challenges

- While EAF improved 8.41 percentage points and 240 consecutive days of no loadshedding, year end performance may be slightly below the 65% EAF target
- **Higher than desired emissions due to performance of dust handling plants**
- **High water consumption related to lower plant efficiency and water related defects**

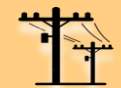
- Continued focus on the **generation recovery plan with focus on reliability**
- Prioritisation on the **execution of air quality projects** to improve emission performance and AEL compliance
- **Execution of the water reduction strategy** during outages



### Transmission challenges

- **System minutes – Driven by two major incidents** (Veld Fire, Busbar faults from mist conditions)

- **Expedited vegetation management programme** to mitigate the impact of veld fires on infrastructure
- **Plant modifications** to mitigate for known and frequent weather challenges that impact plant performance



### Distribution and retail

- **Non-technical losses** (theft, incorrect billing, illegal connections) make up more than 70% of all energy losses recorded

- **Rollout of smart meters** and infrastructure upgrades to mitigate non-technical losses
- **Targeted audits and fixes** to address meter bypass and incorrect billing



### Social mandate

- **Supplier development contribution** amounted to R0.42bn mainly due to **committed subcontracting**
- **Enterprise development and local content** performing below expected levels

- **Facilitate supplier training** on Eskom's tender requirements SMEs in particular BwO, BYO and BO companies
- **Various incubators approached** to provide financing and support for small business development



### Other

- LTIR expected to come within tolerance level of 0.3 - **motor vehicle accidents**
- Research testing and development expenditure behind schedule, expected to recover in Q4
- Blockchain relatively new intended to **focus on emergent technology adoption**

- New **See Act Immediately** campaign, aimed at boosting safety performance and inspiring positive behavioural change
- Prioritised initiatives for greater adoption

# We are driving several people-focused interventions to ensure the sustainability of the turnaround



## Culture, skills and capabilities

Driving high performance, ethical culture

- Leadership continuity and succession planning
- Leadership role modelling, stability, agility and discipline
- Reskilling and upskilling of workforce in line with the evolving industry



## Leadership Appointments

- Filling of key executive vacancies – 6 Executive positions filled
- Redeployed power station managers according to required skills and expertise



## Intensified Employee Motivation and Commitment

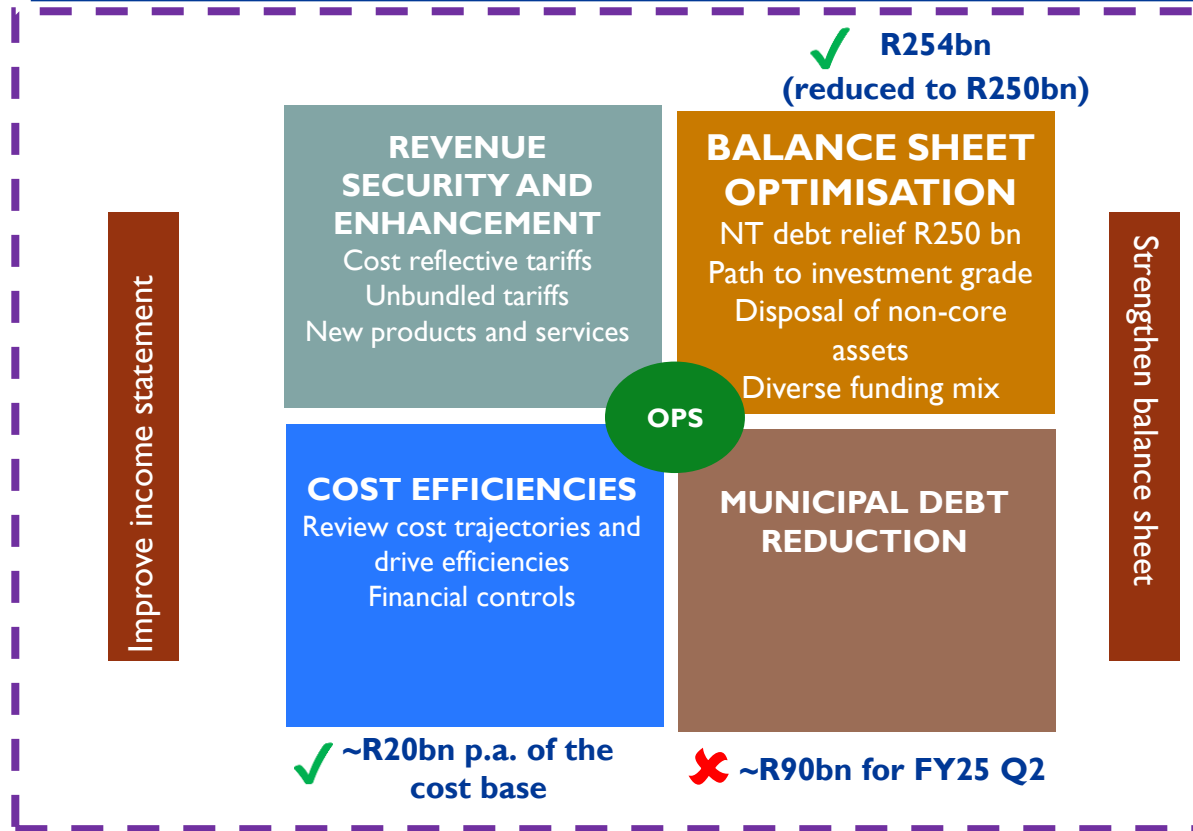
- **12 GCE staff engagements covering >15 000 employees, incl. organised labour leadership**
- Nkanyezi Employee Value Proposition Programme
- Eskom Women's Advancement Programme





- Overview and performance update
- **Financial outlook**
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## Pillars of our financial strategy



## Insights

- Four pillars to financial recovery: (1) **Revenue security**, (2) **debt reduction**, (3) **cost containment** and (4) **reduction in municipal non-payment**
- We have implemented **cost efficiencies** in our cost base, achieving on average R20bn cost reduction for the last 3 financial years. To date operational performance has led to reduce diesel expenditure by R 16.33 bn
- The **debt relief** allowed the business to manage its high debt service costs and cash, to allocate the financial resources needed for Generation (to address the maintenance backlog and adequately prepare for outages). This served as the critical precursor for improved plant performance and financial recovery
- Limited success with the Municipal Debt Relief programme** with low adherence to the debt relief conditions. Municipal debt including metros **growing by more than R10 bn/annum**
- All four pillars need to be addressed at the same time if Eskom is to become financially independent

### Key risks



- 1 **Tariff**
- 2 **Gx plant performance**
- 3 **IPP delays**
- 4 **Municipality non-payment**
- 5 **Unsustainable borrowings on the balance sheet**



Overall, our financial performance has improved year-on-year (YoY), with only coal costs performing worse



**Revenue improved** mainly due to tariff increase and slightly higher sales volumes



**Combined OCGT cost**

Sept '24: R6.1bn

Sept '23: R18bn

**R11.9bn reduction**



**Improvement in debt service and cash interest cover ratios** due to the impact of the National Treasury debt relief



**Coal costs**

Sept '24: R49.64bn

Sep '23: R45.3bn

**R4.34bn increase**



**Primary energy spend 6.8% lower YoY** due to below budget spend on coal usage costs, OCGTs, IPPs and international purchases

**KEY:**



Better YoYYTD



Worse YoYYTD

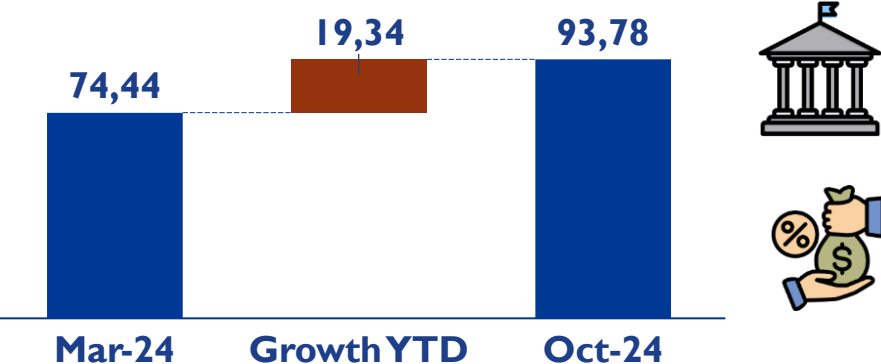
# The NT munic debt intervention is welcome, however current trends indicate that it is unlikely to significantly arrest the growth in arrears



On 31 March 2023, National Treasury's Intergovernmental Relations unit issued a circular referring to the Eskom Municipal Debt Relief. Government's debt relief package for Eskom is intended to improve the utility's balance sheet and facilitates the proposal for Eskom to write off municipal debt under strict conditions and with the guidance of the National Treasury.

## Outstanding Municipal Debt

As of 31 October 2024 (R'bn)



## Insights

- **75** out of 239 South African municipalities owes Eskom **more than R100m** each – total **R92.82bn** (**R73.76bn** at March 2024)
- **R19.34bn** YTD October growth
- Total overdue debt YTD October comprises of **R14.96bn** from metros as well as **R78.8bn** other municipalities
- **71** municipalities were approved on the Debt Relief programme, of which **11** is honouring the timely payment of current accounts

## Top 10 Overdue Municipalities – incl. Metros

As of 31 October 2024

Municipality	Mar 2023	Mar 2024	Oct 2024	
Emalahleni Local Municipality*	R 7.42bn	R 8.51bn	R 9.80bn	↑
Maluti A Phofung Local Municipality*	R 7.24bn	R 7.98bn	R 8.50bn	↑
Emfuleni Local Municipality*	R 5.91bn	R 7.06bn	R 7.98bn	↑
City of Tshwane Metro Municipality	R 1.06bn	R 3.12bn	R 6.70bn	↑
Matjhabeng Local Municipality*	R 5.25bn	R 5.76bn	R 6.19bn	↑
Govan Mbeki Local Municipality*	R 3.72bn	R 4.48bn	R 5.17bn	↑
City of Johannesburg Metro Municipality	R 0.01bn	R 1.08bn	R 4.93bn	↑
Lekwa Local Municipality*	R 1.86bn	R 2.19bn	R 2.53bn	↑
City of Ekurhuleni Metro Municipality	R 0.33bn	R 1.58bn	R 2.50bn	↑
City of Matlosana Local Municipality*	R 1.44bn	R 1.75bn	R 2.28bn	↑

\* Approved on debt relief programme

### Key Initiatives



#### Dedicated State Capture Task Team

Recommendations include:

- Instituting criminal charges
- Consequence management against employees and suppliers
- Pursuing director delinquency proceedings
- Civil recovery of financial losses suffered by Eskom



#### Security Risks and Threats to Infrastructure and People

Partnership with various stakeholders to address key security risks and threats to infrastructure and people



**304**  
arrests



**17**  
convictions



#### Security Vetting Programme

The Security Vetting programme focusing on non-executives, executives and employees in critical areas is in progress, with clearance certificates issued by State Security Agency



**526 of 729**  
in progress /  
complete



#### Optimisation of Processes and Technology

- Re-evaluation of effectiveness and amending policies, processes, systems, controls and structures where necessary
- Eskom Security embarked on technology optimisation, security contract management and driving integrated security strategies.

### Consequence Management: Supplier Review Status

- ❑ Eskom has established an interim supplier discipline process to review contracts of suppliers implicated in malfeasance while a permanent supplier disciplinary process is being developed.



**145 cases**  
referred to the supplier  
disciplinary process for  
assessment and processing



**41 suppliers**  
sanctioned with removal  
from Eskom's Supplier Database  
(ESD) and recommended for  
referral to NT for  
blacklisting



**106 cases**  
finalised



**36 suppliers**  
given a suspended sanction



**28 suppliers**  
files were closed with no  
further action to be taken (no  
malfeasance found, or  
deregistered and no longer in  
existence)



**2 suppliers**  
sanctioned with removal  
from Eskom's Supplier Database  
(ESD) without referral to NT



**39 suppliers**  
cases still under review



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# In 2019, the SA government issued a directive under the DPE<sup>1</sup> Roadmap, setting the direction for Eskom's unbundling

## DPE Eskom unbundling directive & desired outcomes

Non-exhaustive

### DPE directive

In 2019 the South African Government initiated a journey to Reform the South African Electricity Supply Industry **including a decision** through the DPE<sup>1</sup> to **unbundle Eskom Holdings into 3 standalone Entities**, as guided by the DPE<sup>1</sup> roadmap, to...

### Desired unbundling outcomes



...allow management focus along the value chain



...improve operational & financial efficiencies



...create greater performance transparency



...provide protection against corruption and rent-seeking



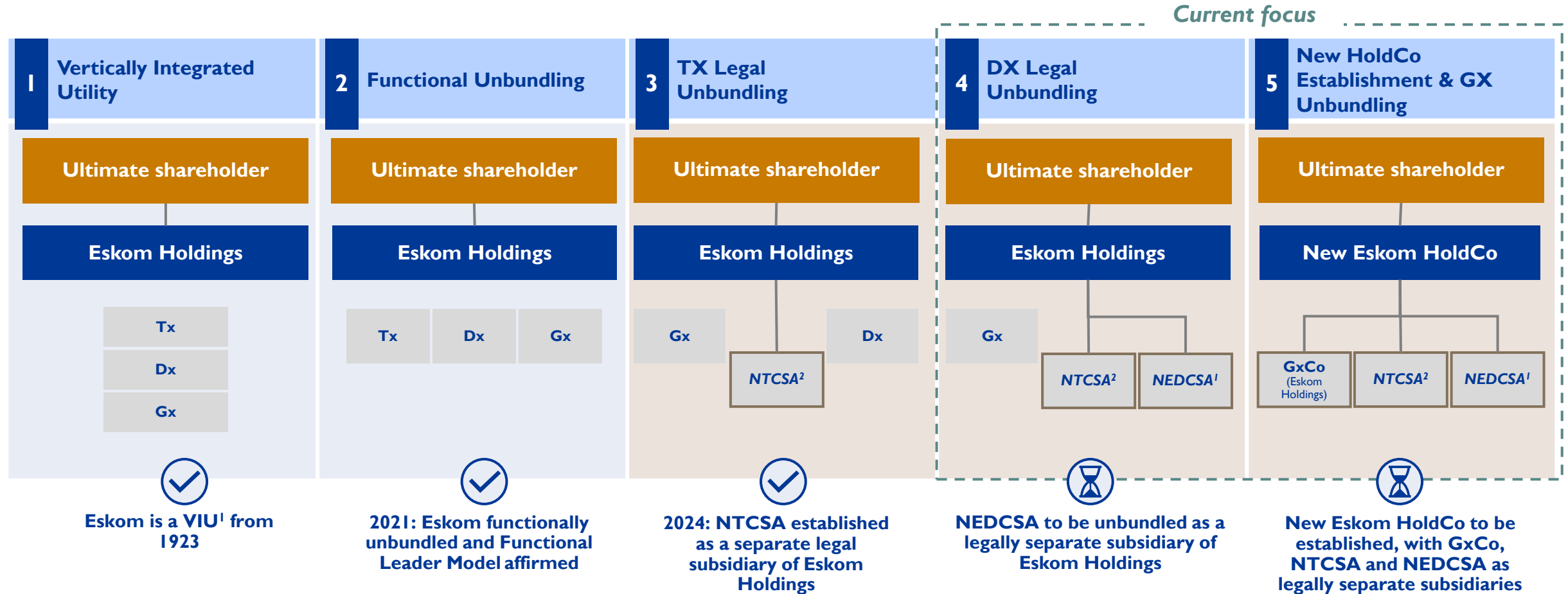
... improve investor comfort to attract funding

In keeping with the DPE roadmap's direction for Eskom, we are progressing in our unbundling journey with the focus now shifting to Dx and the new HoldCo



## Eskom's unbundling journey

In progress Complete Illustrative

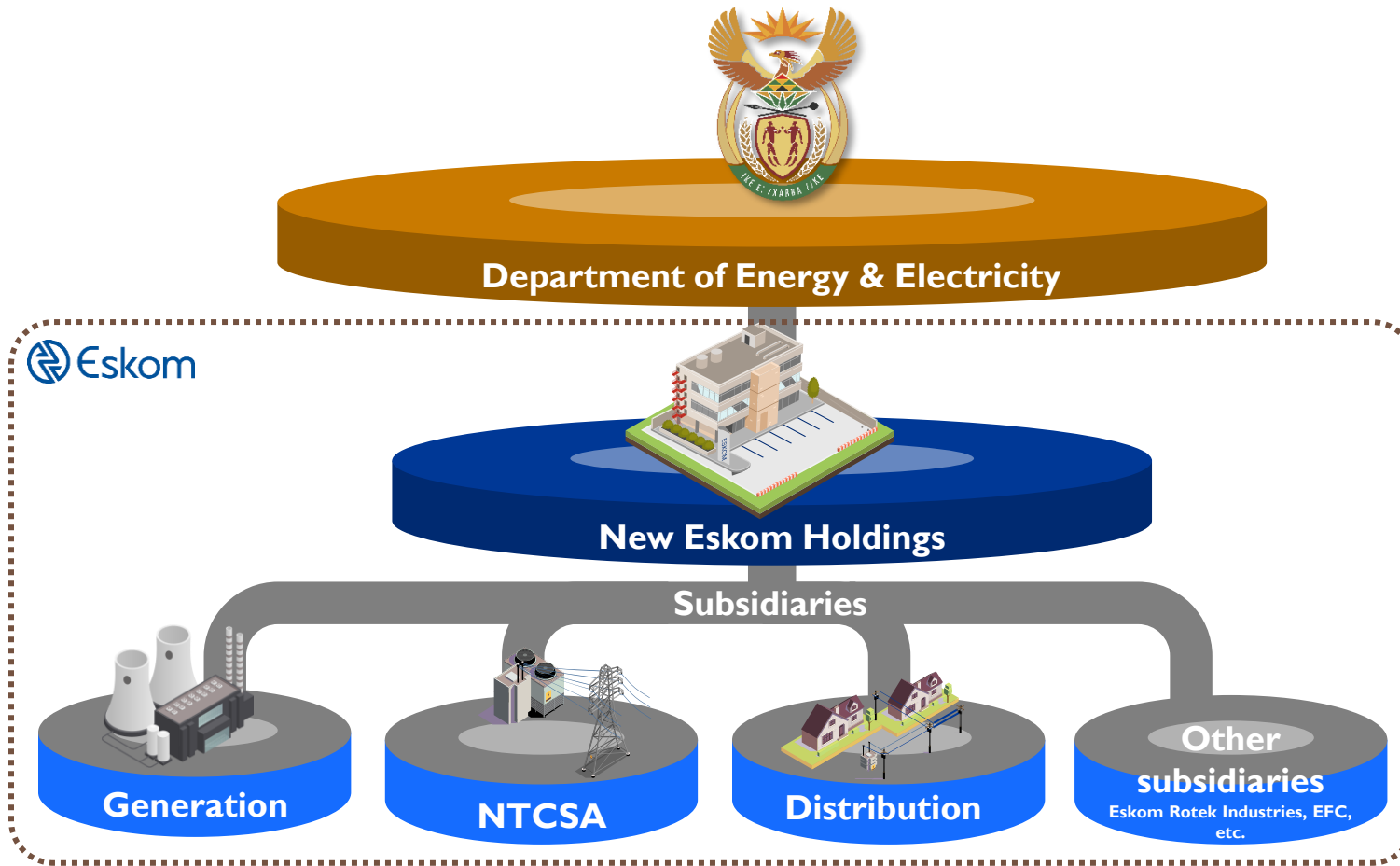


As per section 35 of the ERA Bill the NTCSA will serve as the transitional TSO SOC Limited until the TSO SOC is established in a period no longer than 5 years - whilst we continue the unbundling journey across the rest of the Eskom value chain the evolution of the NTCSA is being further unpacked

Our unbundled state will create legally separate subsidiaries providing operational independence whilst still under the Eskom Corporate structure

## Eskom's unbundled transitionalary state

Illustrative



### Role

- As the **Ultimate Shareholder**, the Department of Energy & Electricity is **accountable to Parliament for the Group's overall performance**
- **Approves** overall **strategic direction of the Group and its Subsidiaries** as well as any proposed changes
- New Eskom Holdings will be the new **holdings company** with various subsidiaries **accountable to the Ultimate Shareholder** for consolidated Group performance
- Sets overall **strategic direction**, incl. objectives and KPIs, and **oversees subsidiary performance**
- **Legally separate subsidiaries**, owned by and accountable to New Eskom Holdings
- Define and drive **subsidiary-specific strategy**, in keeping with group-level strategic direction
- Responsible for **day-to-day subsidiary operations**, in adherence with relevant Group policies

**All subsidiaries will still fall under the Eskom umbrella, but have freedom to operate their independent businesses within the applicable regulatory and governance boundaries to achieve the DPE outcomes.**

## Key focus areas

Non-exhaustive

### Key upcoming milestones / focus areas

#### NTCSA



- Refine ways of work with Eskom Holdings
- Define the evolution of NTCSA

#### Distribution (NEDCSA)



- Unpack the Dx solvency risk relating to municipal debt
- Commence lender engagements
- Sign merger agreement
- Submit license applications to NERSA

#### Generation



- Finalise remaining PPAs
- Refine the Gx Business & Operating model for the future Eskom

#### Eskom Holdings



- Finalise group parenting strategy and associated SGF<sup>1</sup> and subsidiary DoA<sup>2</sup>, in keeping with statutory and transactional requirements
- Review group operating model and unbundling readiness

#### New HoldCo



- Align with government on the preferred incorporation mechanism, based on options submitted
- Define transaction mechanism and implementation plan for New HoldCo establishment



**Our continued success on this journey will require strong collaboration and coordination across all stakeholders**





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Since March 2023 we have been systematically implementing our Generation Recovery plan to sustainably improve performance

■ Implementation complete   
 ■ Implementation in progress

**1 Set up for success**

■ **Set-up the enabling structures**

- Turnaround plans
- Generation recovery office
- Key enablers

■ **Guard performance at current flagship stations**

- Medupi, Lethabo, Matimba and Peaking

■ **Focus on the Priority stations**

- Tutuka, Duvha, Majuba, Matla, Kendal, Arnot, Kriel
- Kusile removed from priority list

■ **Execution of Koeberg 1 Outage**

■ **Source external specialized skills**

**2 Execute excellence**

**Actions for FY24**

■ **Successful execution of Koeberg 1**

■ **Sustain Excellent Medupi performance**

■ **Embed principles of Operational Excellence**

■ **Address internal skills gaps**

■ **Prevent outage slips**

■ **Return of Kusile 1, 2 and 3**

■ **Synchronisation of Kusile 5**

■ **Review plant shutdown dates based on system requirements**

**3 World class performance**

**Actions for FY25 onwards**

■ **Return of Medupi 4 from long term forced outage**

■ **Commercial operation of Kusile 5**

■ **Synchronisation of Kusile 6**

■ **Continuous focus on current and future skills**

■ **Ensure successful implementation of Koeberg 2 steam generator and long-term operating projects**

**65%<sup>1</sup> EAF**

**70%<sup>1</sup> EAF**



**Continuous execution of Culture transformation and Strategic Levers as per the Generation recovery plan**

Note: 1. MTD for March 2024 and March 2025

We are performing better than forecasted in our moderate Summer 2024/25 outlook scenario we presented in September 2024



Likely scenario

Summer 2024/25 – 1 September 2024 to 31 March 2025 (212 days)

Scenarios		Base Case: 13 000MW UCLF		Base Case + 1000MW: 14 000MW UCLF		Base Case + 2000MW: 15 000MW UCLF	
Number of LS days OCGT costs		0 Days R 3.5bn		21 Days R 10.3bn		115 Days R 23.0bn	
Highest stage of LS		-		Stage 1		Stage 2	
Month	Peak Residual Forecast	Load shedding days	Max Load shedding stage	Load shedding days	Max Load shedding stage	Load shedding days	Max Load shedding stage
September	29 389	0	0	1	1	16	2
October	28 928	0	0	0	0	16	1
November	28 868	0	0	1	1	13	2
December	28 398	0	0	5	1	17	2
January	28 105	0	0	3	1	16	2
February	28 486	0	0	1	1	16	2
March	28 967	0	0	10	1	21	2

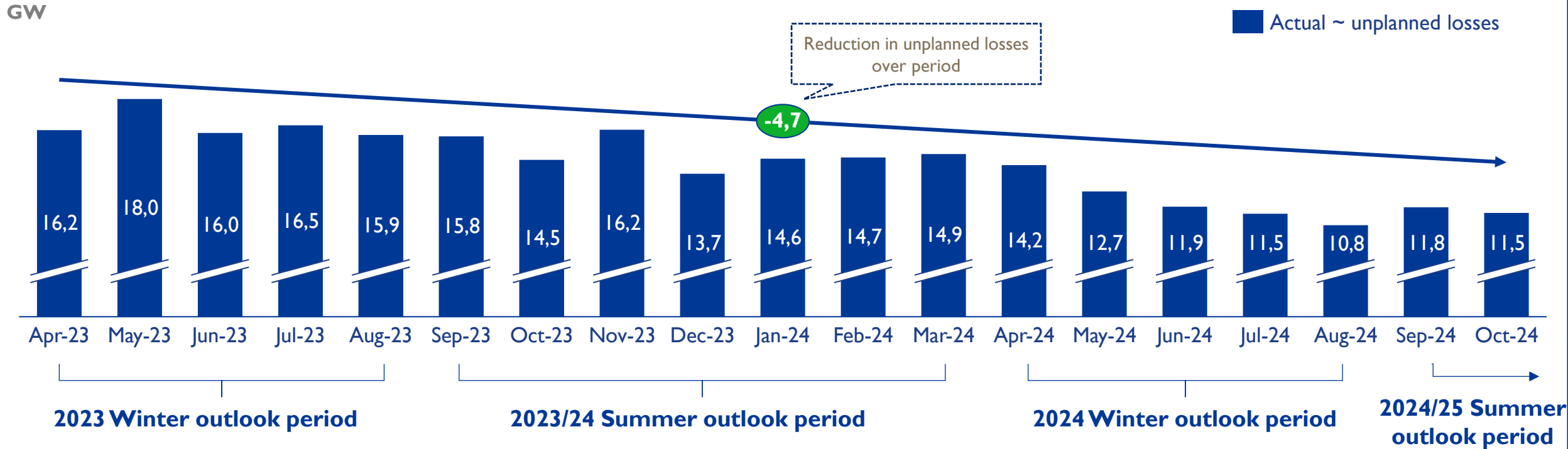
Our Summer 2024/25 base case is revised downwards by 1 500MW relative to the previous summer outlook which ranged from 14 500MW to 17 000MW with loadshedding stages 6 and 7

Summer forecast **planned maintenance of ~6700MW (14%)** is in line with the levels of maintenance of ~6600MW in the previous period

# There is a consistent decline in unplanned load losses on the back of disciplined execution of maintenance



## Eskom Gx actual performance on unplanned losses<sup>1</sup>

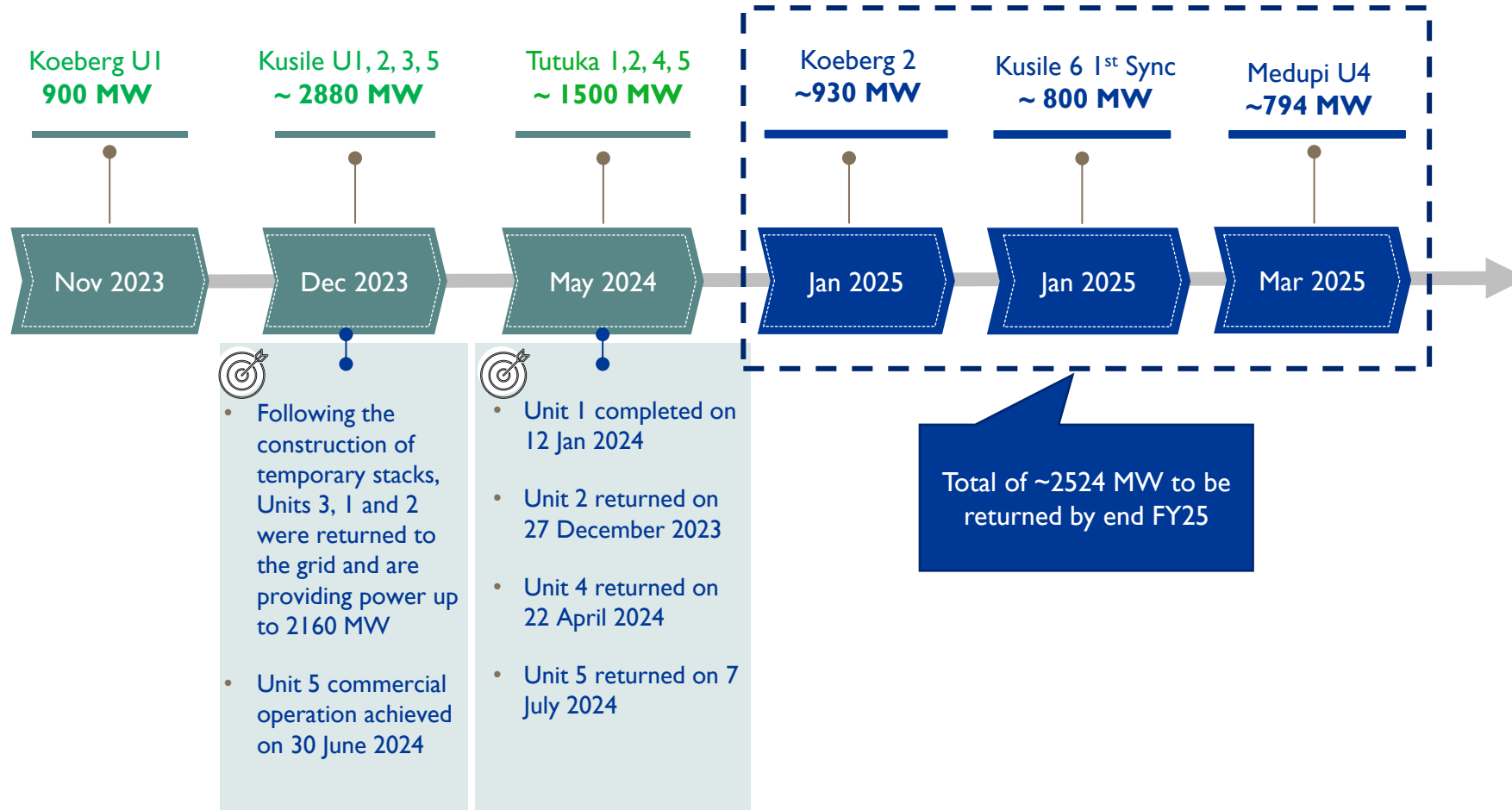


- **Downward trend** observed in unplanned losses, specifically driven by **priority 8 stations** (Tutuka, Majuba, Kusile, Kendal, Matla, Duvha, Arnot and Kriel)
- **Current unplanned losses of ~11.5GW for Oct 2024** are better than anticipated in the Summer outlook, as a result, no loadshedding is required
- Increased UCLF in September and October due to challenges experienced at Medupi and Koeberg (both with spikes in their usual UCLF performance)
- Comparing the **average load losses in Sep-Oct 2023 (15.2GW) vs. same period 2024 (11.8 GW)** shows an **improvement of approximately 3.4GW**, which further illustrates that the **reduction in loadshedding is a result of improved plant performance**

# The additional ~2524 MW capacity expected by the end of the financial year will contribute to security of supply

## Units on long term outage - return to service dates

xxx Complete



## Key insights

**Kusile** - Kusile U5 synched to the grid on 31 December 2023. Commercial Operation achieved on 30 June 2024 – **Completed**

### Tutuka RTS dates

- Unit 4 planned outage for LP turbine rotor and HPH replacement – **Completed**
- Unit 5 on Major outage – **Completed**

**Despite some delays, three units are still expected to return to service by the end of the financial year:**

**Kusile U6 sync** experiencing some delays due to material availability and delays in acid clean. Current forecast for 1<sup>st</sup> sync date is Jan 2025

**Medupi U4** - due to unexpected design issues related to second hand, RTS should be achieved by March 2025

**Koeberg U2** weld defects on the main steam pipes requiring additional inspection and weld repairs. Revised date to cater for discoverables during commissioning



## Load Shedding

### Generation



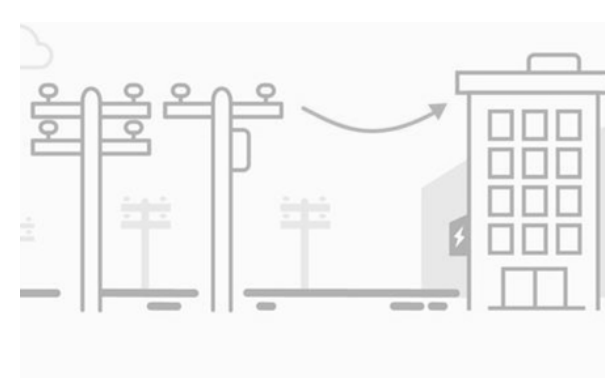
- When there is **insufficient generation capacity** to meet demand
- Loadshedding implemented to **protect the country** from a black out

### Transmission



## Load Reduction

### Distribution



- When the **customer demand is higher than what the local equipment can withstand**
- Load reduction implemented to **protect equipment** (transformers) and **people** (explosions)

Eskom is working together with SALGA and the Ministries to resolve the structural challenges facing the distribution industry

**WE NEED COMMUNITIES TO HELP US PROTECT OUR EQUIPMENT FROM CRIMINALITY**



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## Three key elements of Eskom's Just Energy Transition



**Just:** Do better for people, creating jobs, and reindustrialising



**Energy:** Secure sufficient clean, sustainable energy



**Transition:** Attract green finance, develop new partnerships

## Our approach and progress:

**Decoupled JET programme from station shut down** – simultaneously address security of supply and Repowering & Repurposing projects

**Delaying coal station shut down dates to 2030** for stations planned for closure before 2025

**50 repowering and repurposing projects in the pipeline**, with approximately 2172MW capacity and 1754 permanent jobs

**Lethabo PV (75 MW)** plant issued to the market, **manufacturing 30** containerised microgrids per annum

**Revised land lease programme and establishing** ash beneficiation centres at the three stations  
Looking into **PPE manufacture, steel manufacture, copper recycling**

# We are working on a pipeline of new clean energy to ensure security of supply in the long term

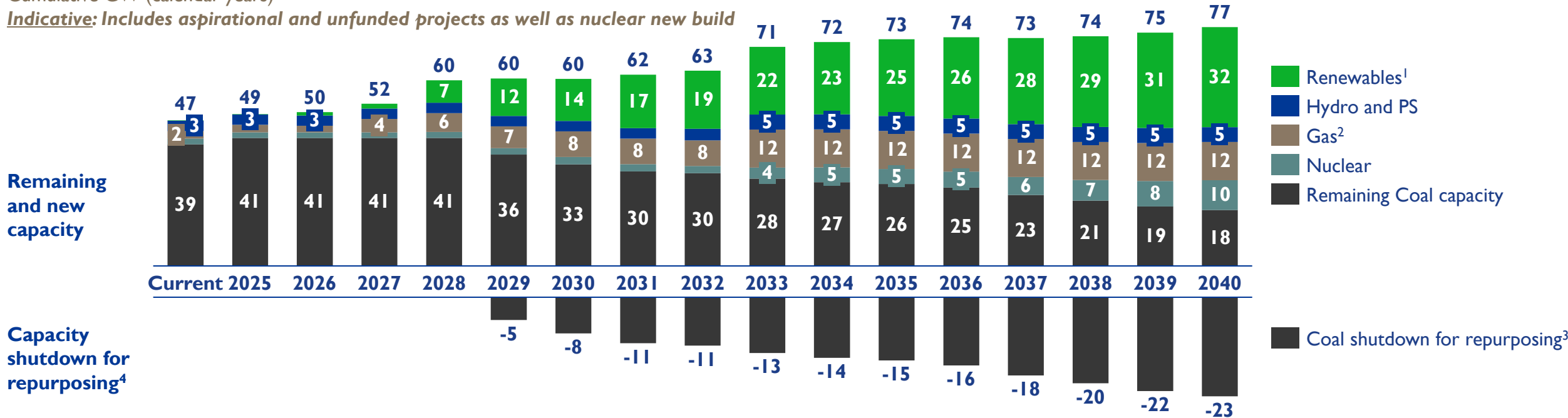


As at 27 Sept 2024

## Forecasted Generation capacity mix

Cumulative GW (calendar years)

*Indicative: Includes aspirational and unfunded projects as well as nuclear new build*



## Insights

- Eskom's generating mix will transition from **predominantly coal currently** to a **balanced mix with primarily clean energy sources by 2040**
- These **projects will require extensive funding** and a combination of **inhouse funding** and **partnerships with external parties** will be pursued to enable this
- Eskom's generation mix will be continuously revised based on **changes in South Africa's electricity industry**, informed by developments in the integrated resource plan, **technological** as well as economic considerations

Footnote: 1. Renewables in this graph includes Wind, PV and BESS as the split between technologies is still being refined and excludes Hydro as it is illustrated separately 2. Gas includes existing liquid fuel turbines 3. Coal shutdown will be replaced by cleaner sources. BESS – Battery Energy Storage System; PV – Photo Voltaic; PS – Pumped Storage. 4. 342MW of Gas and 105MW of Wind will be decommissioned over the period (Not illustrated)



- Overview and performance update
- Financial outlook
- Legal Separation Update
- FY25 operational performance including summer outlook
- Socio-economic impact of decommissioning
- **Conclusion**



Eskom is **turning the corner** in terms of its **operational** and **financial performance**, although there is still further work required to ensure sustainability of the industry

Over and above the **NT debt relief** and **efficiency measures**, Eskom is implementing **municipal debt recovery** and ensuring an **appropriate tariff**, which is **critical to financial sustainability**

The legal separation process remains a priority to **create greater performance transparency, promote efficiency and attract investment into the electricity supply industry**

Significant **investment in electricity infrastructure** will assist in **ensuring continued security of supply**. Our pipeline of **new clean energy** and revised approach to the **just energy transition** is intended to **mitigate the socio-economic impact** of the transition

**Leadership stability** and the **improved staff morale** has been **fundamental** to the **turnaround**