

Eskom: Medupi power station's construction schedule "at risk"

Manufacturers, mines, small businesses and township residents are reeling as rising electricity prices hit home while Eskom holds on to R50-billion earmarked for its mega-expansion programme dominated by the construction of the massive Medupi and Kusile power plants, due to supply 4 764MW and 4 800MW, respectively.

The utility, however, gave notice that the construction schedule of Medupi power station is "at risk" as South Africa heads into 2012, the year in which Eskom forecast a nine- terawatt-hour energy gap, roughly the equivalent of 1 000 megawatts (MW) of base-load capacity.

Eskom chief executive Brian Dames told the Mail & Guardian that its cash pile came from debt-raising and not from tariff increases. Dames voiced concerns in Parliament that the Medupi construction schedule was at risk, chiefly because of delays in the boiler contract -- specifically boiler unit six, the first unit of Medupi scheduled to go online next year. The announcement will not surprise industry experts who have long suspected that Medupi, originally scheduled to be commissioned in June 2011, could be delayed.

South Africa's integrated resource plan, published after work on Medupi began, was perhaps an indication that not even Eskom expected the station to come online by 2012. The plan, as Dames indicated in Parliament, made provision for Medupi to come online in 2013. But the concession that construction may be delayed has renewed criticism regarding Eskom's decision to opt for expensive mega-power plants rather than smaller "off-the-shelf" technology options.

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