

# Medupi plant to be ready in December

CAPE TOWN: Public Enterprises Minister Lynne Brown says she is confident that the construction of the Medupi Power Plant will be completed by December.



Source: <http://www.eskom.co.za>

The Minister said this when she, along with Eskom's top management appeared before the Portfolio Committees on Energy; Public Enterprises and the Select Committee on Economic and Business Development in Parliament, on Tuesday, 29 July.

Energy Minister Tina Joemat-Pettersson also appeared jointly with Minister Brown before the same committee.

The completion of the R105-billion power plant is expected to ease the pressure from Eskom's ageing power grid which has in recent months buckled under pressure to supply electricity to both residential and industrial customers.

Minister Brown said despite several challenges, which includes delays in construction due to several industrial actions in the past, she was "very confident" that the synchronisation of Medupi's Unit 6 into the power grid would happen by December.

"Construction is progressing as part of the building program at Medupi, Kusile, Ingula Pump Storage, Sere Wind Farm sites. And Chairperson, I am confident in Eskom delivering and synchronising the first unit at Medupi by December this year.

"It is a well-known fact that Eskom has experienced a number of challenges in recent years.

"I will not go through these challenges except to highlight that since taking up office in May, I have had several engagements with the Eskom Chairman and his team; firstly to get a deeper understanding of these challenges and secondly to engage on various options that can jointly lead us to a sustainable solution," Minister Brown said.

Her statement comes after President Jacob Zuma announced that energy, particularly Eskom's power generation, would be prioritised as it was central to economic growth.

The President announced the establishment of the Energy Security Cabinet Sub-Committee that will oversee the development of the energy mix - looking at exploring some options of expanding Eskom's capacity - including nuclear power, gas, solar, wind, coal, hydro power and fuel refineries.

Minister Brown reiterated the importance of Eskom succeeding in keeping the lights on and increasing the power supply capacity. She said the utility's growth was the cornerstone of the economy.

"The company generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers in South Africa, and to municipalities, who in turn redistributes electricity to businesses and households within their areas.

"It also purchases electricity from independent power producers (IPPs) in terms of various agreement schemes as well as electricity generating facilities beyond the country's borders," she said.

## **Appointment of permanent CEO prioritised**

The Minister said she wanted the announcement of the new CEO to be announced no later than mid-August.

This comes after the former CEO Brian Dames stepped down from his position at the end of March, this year.

Minister Brown said the appointment of a permanent CEO was urgent, and that she wanted the matter to be taken to the Cabinet next month.

"Following this, I have urged the Board to move rapidly to fill all the other critical vacant executive positions to ensure the sustainability of the Company."

## **Minister's challenge to the Eskom Board**

Minister Brown said, meanwhile, that she had given the Eskom board until September this year to produce a plan of how it will keep the national power grid sustainable.

She said the challenges that Eskom was faced with in the recent past - including a threat of unplanned load shedding - and the capacity challenges that lay ahead, needed short-to-medium term planning.

Minister Brown asked the committee to pen a plan that would include:

- Establishing a sustainable capital investment approach characterised by intelligent investment decisions, financial prudence and commercial sustainability to meet industry demands and customer expectations;
- Implementing cost containment measures and ensure financial sustainability of the Company in the context of the MYPD3 tariff decision;
- Exploring and urgently implement measures to improve performance of areas that have experienced significant challenges, in particular power stations; and
- Driving regional integration, economic transformation, beneficiation, industrialisation, aggressive job creation and the development of a supplier base that meets Broad-Based Black Economic Empowerment (B-BBEE) criteria.

She said Eskom needed to evolve on the ever changing energy environment.

"I am convinced that the Energy Policy and Regulatory environment has also been characterised by uncertainties particularly in relation to energy security and the associated costs, future electricity planning and the anticipated end state of the industry," she said.

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