

8 October 2026

Electricity Update: August-September

Metric	August	September	Unit
Average Energy Availability Factor (EAF)	71.2	69.7	Percentage
Maximum EAF	77.8	75.4	
Minimum EAF	62.8	63.8	
Open Cycle Gas Turbine (OCGT) Usage			Megawatt-Hours
Average	20	11	
Maximum/Peak Usage	1 809	1097	
Planned Maintenance (Average)	6 686	6 642	Megawatt
Unplanned Maintenance/Outages (average)	6 786	8 012	
Other Maintenance (average)	133	27	
Total	13 606	14 681	

Source: Eskom and Minerals Council

Electricity is a critical input in industrial processes and ranks among the top five inputs in the mining sector as it accounts for approximately 4.6% of total mining input costs. In 2025, for example, the sector spent approximately R40.5 billion on electricity, compared with R37 billion on liquid fuels, including petrol and diesel. As a result, the mining sector's total energy bill amounted to nearly R80 billion in 2025.

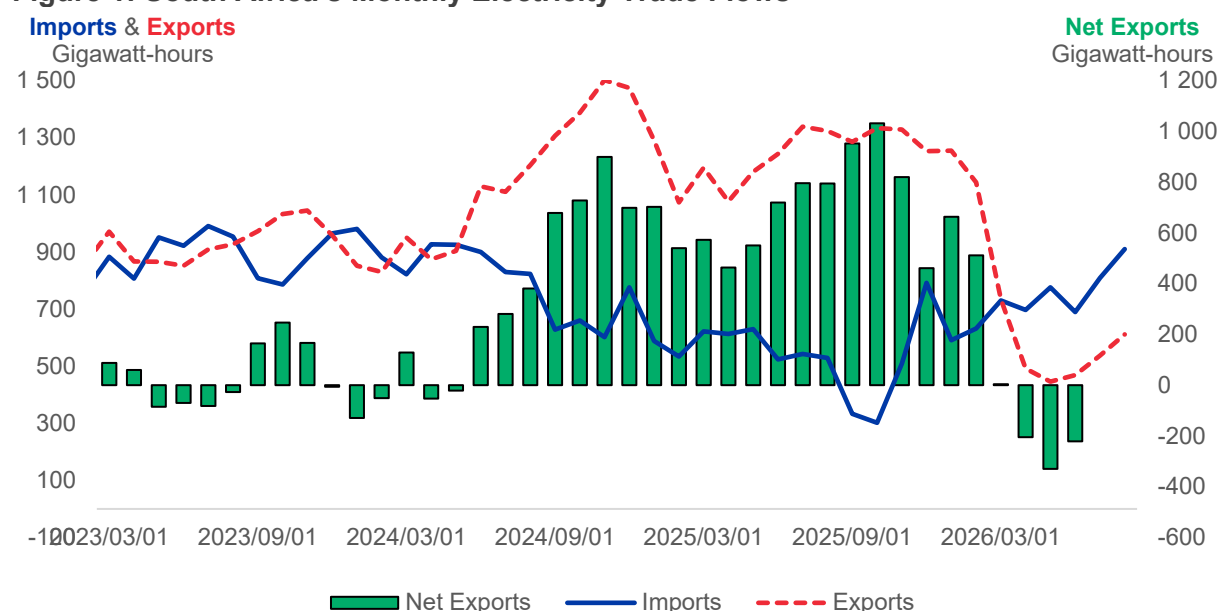
September's electricity data present a mixed picture for the mining sector.. Electricity produced and available for distribution increased by 0.3% month on month (m-o-m) and 0.8% year on year (y-o-y), supporting the continuous power requirements in mining where electricity is important for hoisting, ventilation, dewatering, crushing and mineral processing. Yet this increase was achieved against a weaker generation backdrop. Eskom's average Energy Availability Factor (EAF) declined by 1.5 percentage points, from 71.2% in August to 69.7% in September. The maximum EAF also declined from 77.8% to 75.4%, while the minimum EAF improved marginally from 62.8% to 63.8%. The lower average and maximum EAF indicate some weakening in generation performance during September.

Planned and unplanned outages. The deterioration in the EAF was largely reflected in higher unplanned outages. Average unplanned outages increased by 1,226 MW, or 18.1% m-o-m,

from 6,786 MW in August to 8,012 MW in September. Planned maintenance remained broadly unchanged, declining marginally by 44 MW to 6,642 MW, while other maintenance declined from 133 MW to 27 MW. Overall unavailable capacity consequently increased by 1,075 MW, or 7.9%, to 14,681 MW. Despite the increase in outages, the electricity system remained stable. Eskom reported more than 500 consecutive days without loadshedding by the beginning of October, providing greater certainty for electricity-intensive operations.

Open-cycle gas turbines (OCGTs). OCGT utilisation declined further in September despite the increase in unplanned outages. Average dispatch decreased from 20 MWh in August to 11 MWh in September, while peak usage fell from 1,809 MWh to 1,097 MWh. The lower use of diesel-fired generation is positive, as it reduces Eskom's exposure to higher-cost emergency generation and associated pressure on electricity costs. Eskom's early-October system update similarly confirmed that OCGT utilisation remained low, reflecting reduced reliance on diesel-fired generation.

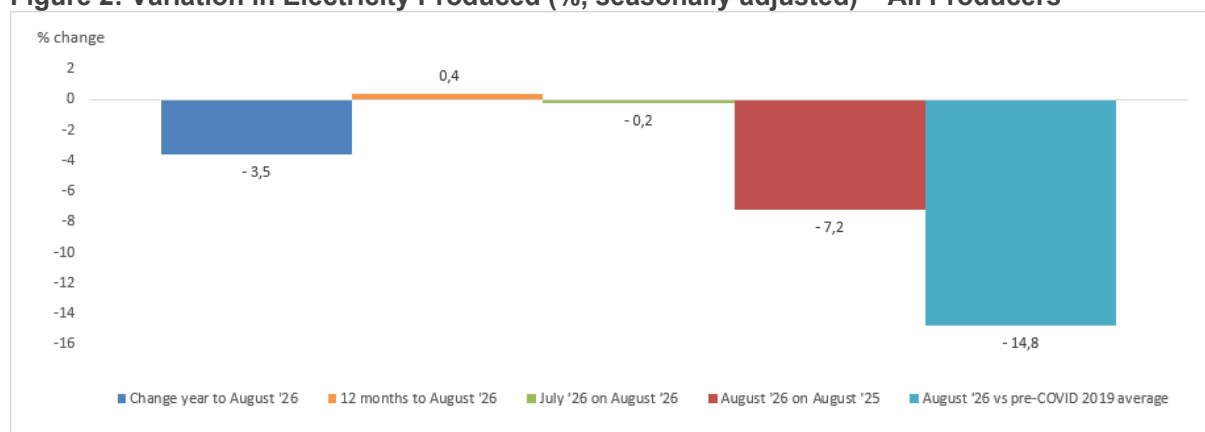
Figure 1: South Africa's Monthly Electricity Trade Flows



Source: StatsSA and Minerals Council

In August, electricity imports exceeded exports, resulting in negative net exports. This should not necessarily be interpreted as a shortage of domestic generation, as electricity trade is also influenced by regional supply arrangements, system requirements and the relative availability and cost of electricity across the Southern African Power Pool. Eskom has also experienced periods of excess capacity, while renewable generation is at times curtailed when supply exceeds domestic demand. For mining, regional electricity trade provides additional flexibility to the system and should therefore be considered alongside domestic demand, available generation capacity and the increasing contribution of private renewable generation.

Figure 2: Variation in Electricity Produced (% , seasonally adjusted) – All Producers



Source: StatsSA and Minerals Council

Figure 2 provides a clearer view of the underlying production momentum. According to data from Statistics South Africa (StatsSA), seasonally adjusted electricity production declined by 0.2% m-o-m in August 2026 and remained 7.2% below its level in August 2025. While this represents lower electricity production, it should not be interpreted solely as a deterioration in electricity supply. Eskom's electricity sales and production requirements have also been affected by improved energy efficiency, customer response to rising electricity prices and the rapid growth of embedded renewable generation across commercial, industrial and residential customers.

This is supported by Eskom's system update, which reported 6,722 MW of generation capacity in cold reserve due to excess capacity at the beginning of October 2026. This indicates that lower electricity production does not necessarily reflect a shortage of available generation capacity.

This trend is also evident in the mining sector, where companies are increasingly investing in renewable generation to reduce electricity costs, improve energy security and meet decarbonisation objectives. The 7.2% decline in August therefore reflects both electricity system performance and the continuing structural shift away from reliance on Eskom-supplied electricity. This reinforces the importance of assessing electricity production together with demand, plant availability and the growth of private generation when considering the implications for mining.

Outlook for Electricity Demand. While electricity demand has moderated, this trend could change as economic and industrial activity strengthens. Phase 3 of the Government-Business Partnership targets economic growth above 3%, with mining identified alongside tourism, infrastructure, agriculture and agro-processing as key growth drivers. Reliable and competitively priced electricity is recognised as an important enabler of this growth.

Electricity demand from energy-intensive industries could also increase as Negotiated Pricing Agreements (NPAs) improve the competitiveness of smelters and other large industrial users. NERSA has approved electricity price relief and negotiated pricing arrangements for several energy-intensive operations, including ferrochrome smelters, with the objective of supporting

their continued operation and competitiveness. Increased smelter production, together with growth in mining and other industrial sectors, could therefore absorb part of the available electricity capacity and support higher industrial electricity demand.

Conclusion

Overall, the August–September electricity data indicate a stable electricity system, despite some weakening in Eskom’s generation performance. Electricity production declined by 0.2% m-o-m and 7.2% y-o-y in August; however, this should not be interpreted solely as a supply constraint. Lower Eskom production and sales increasingly reflect improved energy efficiency, price-responsive demand and growing private renewable generation across industrial, commercial and residential customers. This is supported by Eskom reporting 6,722 MW of generation capacity in cold reserve due to excess capacity at the beginning of October.

In September, electricity available for distribution improved slightly and OCGT utilisation declined, despite a lower EAF and higher unplanned outages. The changing supply-demand balance is also resulting in periods of surplus generation, with renewable energy curtailed when available supply exceeds demand, although grid constraints can also contribute in some areas.

Looking ahead, the challenge is increasingly to translate available electricity capacity into economic and industrial growth. The Government-Business Partnership’s ambition to lift economic growth above 3%, together with measures to improve the competitiveness of energy-intensive industries through negotiated electricity prices, could support renewed electricity demand from mining, smelters and other industrial users. For mining, reliable and competitively priced electricity will therefore remain critical to expanding production, beneficiation and investment.

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