10 December 2024

MINERALS COUNCIL
SOUTH AFRICA

Electricity Update: **October to November 2024**

Metric	October	November	Unit
Energy Availability Factor (EAF)	62.6%	62.0%	Percentage
Loadshedding (all stages)	0	0	Hours
OCGT[1] Usage			Megawatt-Hours
- Average	87	108	
- Maximum	1,795	1,718	
Planned Maintenance (average)	6,028	7,074	Megawatts
Unplanned Maintenance/Outages (average)	11,277	10,319	
Other Maintenance (average)	173	346	
- Total	17,478	17,740	

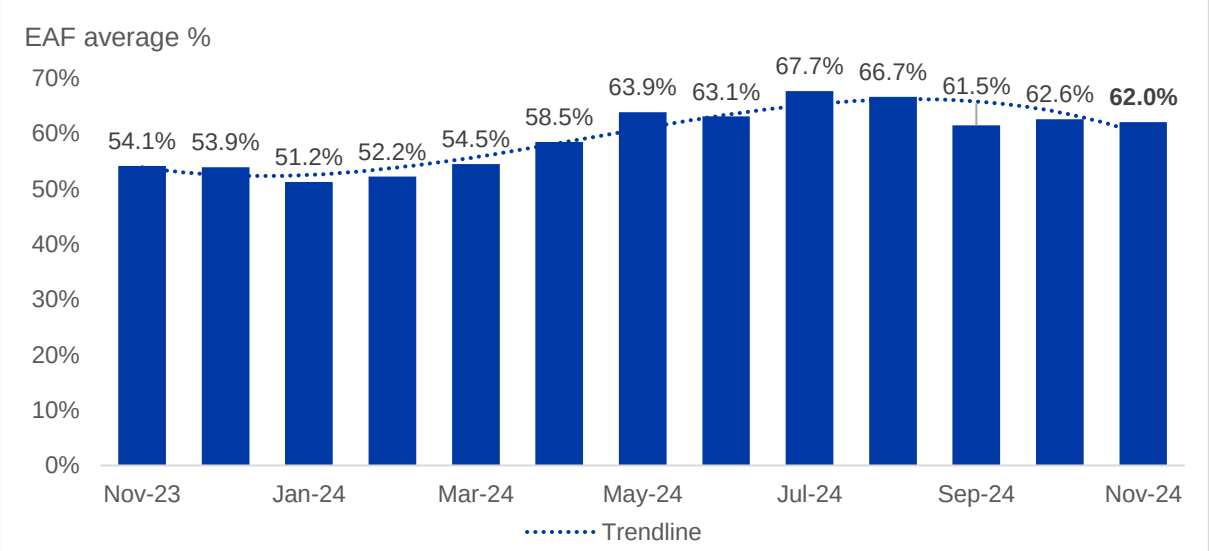
Source: Eskom & Minerals Council SA

In November, Eskom's average Energy Availability Factor (EAF) exceeded 60% for the seventh consecutive month. This milestone coincided with over 250 days without loadshedding and a significant reduction in open-cycle gas turbine (OCGT) usage this year. As a result, relative to the same period in 2023, Eskom saved nearly R17 billion in diesel costs since April 2024, i.e., from the start of its 2024/25 financial year.

Year-to-date, the EAF averaged 60.3%. However, we note that data for the first week of December indicates the EAF dipped to 59.4%. In November[2], the EAF declined marginally by 0.6 percentage points compared to October, largely due to an increase in planned maintenance (see Figure 2).

These developments, partly influenced by seasonal factors such as reduced power plant efficiency during the warmer summer months, highlight a proactive and potentially sustainable approach to improving the reliability of maintenance operations at Eskom's power plants.

Figure 1: Eskom EAF, average per month

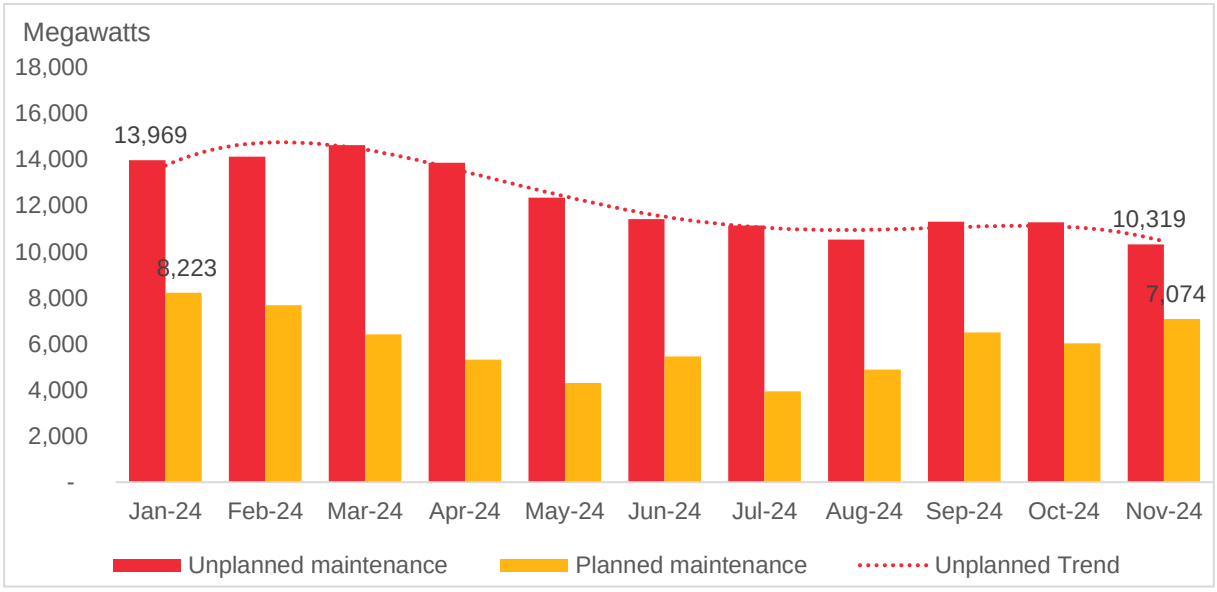


Source: Eskom & Minerals Council SA

[1] Open Cycle Gas Turbine
[2] In November, the EAF ranged from a low of 56.6% to a high of 69.3%.

The trend in planned and unplanned maintenance year-to-date is illustrated below. Unplanned outages have decreased by nearly 4,000 MW since January, while planned maintenance has remained at a robust and sustainable level. In November, planned maintenance reached just over 7,000 MW, aligning with Eskom's summer maintenance strategy to enhance power station reliability ahead of winter 2025.

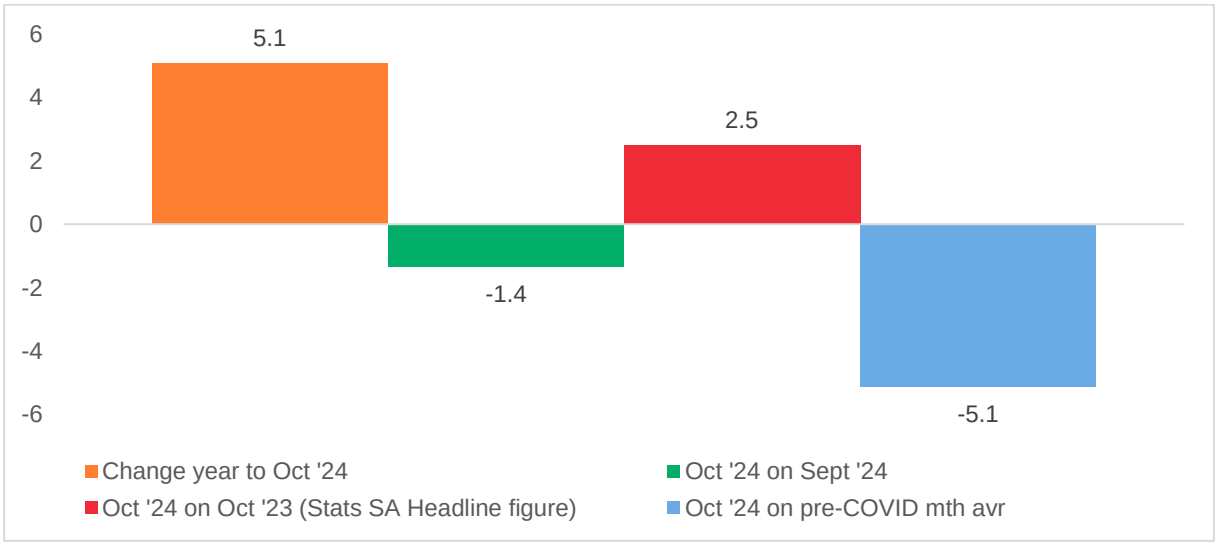
Figure 2: Eskom Unplanned Maintenance (outages) & Planned Maintenance



Source: Eskom & Minerals Council SA

According to data released by Stats SA late last week, seasonally adjusted real electricity generation **rose** by **2.5% year-on-year** in **October** 2024. On a **month-to-month** basis, production **decreased by 1.4%** compared to September 2024. Year-to-date, electricity generation is up 5.1% compared to the same period last year and is now 5.1% below pre-COVID levels. In Q3, recently published real GDP data showed that the electricity sector positively contributed to economic growth, reflecting Eskom's improved performance.

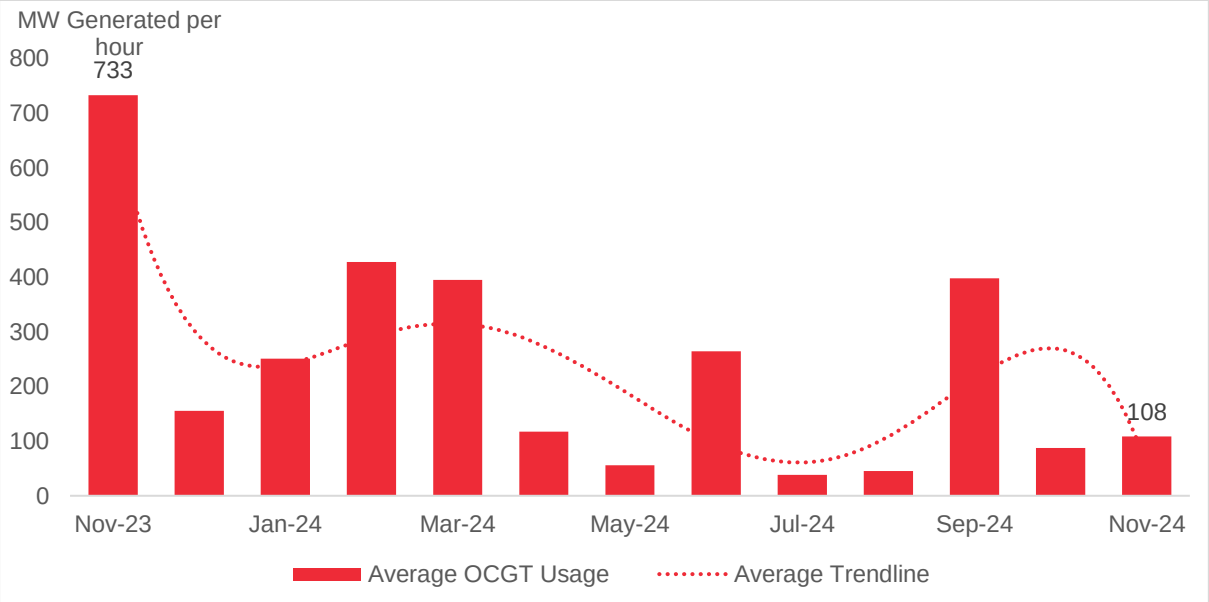
Figure 3: Variation in Electricity Produced (%, seasonally adjusted) – All Producers



Source: Statistics SA, Minerals Council SA

Figure 4 below illustrates the continued decline in the use of OCGTs in November, with the average output remaining just above 100 MW per hour. This represents a significant improvement compared to the higher usage levels earlier in the year. According to Eskom, the OCGT load factor between April and October 2024 was 5.76%, a sharp decrease from 18.17% during the same period last year. Overall, OCGT usage remains low, and diesel consumption is well within Eskom's year-to-date budget.

Figure 4: Eskom - Open Cycle Gas Turbine Electricity Generation



Source: Eskom & Minerals Council SA

Lastly, we note that in November, the average electricity demand was 23,056 MW, closely matched by dispatchable generation at 23,026 MW. Peak demand for the month reached 27,469 MW.

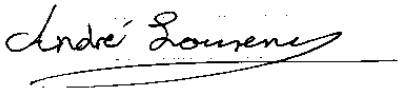
Conclusion

Eskom has sustained a stable Energy Availability Factor above 60% for seven consecutive months while achieving significant reductions in unplanned outages and OCGT usage. The increase in planned maintenance aligns with seasonal strategies to enhance reliability ahead of winter 2025, with Eskom projecting no loadshedding in 2025.

Further supporting this outlook, Eskom plans to add 2,500 MW of generation capacity by March 2025. This includes the return of Medupi Unit 4, Koeberg Unit 2, and the synchronisation of Kusile Unit 6. The timely addition of this capacity is expected to ensure continued stability, keeping loadshedding absent through the summer months. Positive year-to-date trends in electricity generation and the sector's contribution to GDP growth underscore progress in operational efficiency and meeting demand sustainably.

- End -

Yours sincerely,



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