MINERALS COUNCIL
SOUTH AFRICA

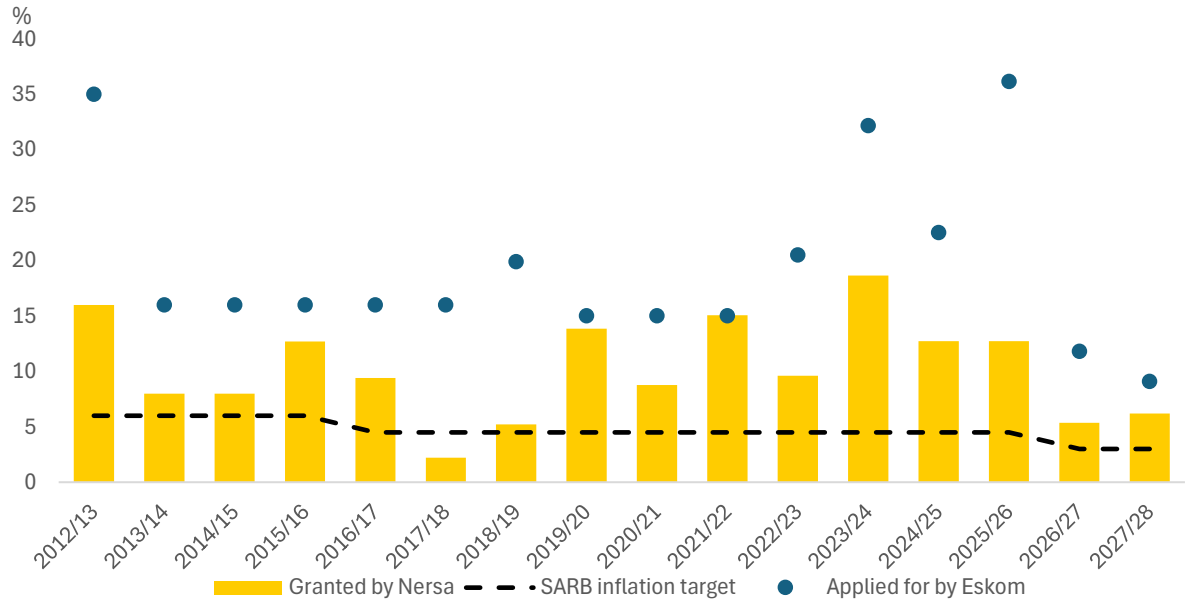
Electricity Update: **2025**

Metric	2025	2024	Unit
Average Energy Availability Factor (EAF)	62.4%	59.8%	Percentage
- Maximum EAF	78.6%	74.3%	
- Minimum EAF	46.7%	44.6%	
Open Cycle Gas Turbine (OCGT) Usage			Megawatt-Hours
- Average	217	210	
- Maximum	1,936	1,910	
Planned Maintenance (average)	5,619	6,185	Megawatts
Unplanned Maintenance/Outages (average)	11,763	12,345	
Other Maintenance (average)	248	282	
- Total	17,630	18,812	

Source: Eskom & Minerals Council

For 2025, there was a notable improvement and stabilisation in Eskom's electricity supply performance. The **Energy Availability Factor** (EAF) averaged **62.4%** for 2025, up from 59.8% in 2024. Perhaps most significant is that the country last experienced loadshedding in May 2025 — meaning South Africa has now gone **more than 250 days** without rolling blackouts. Encouragingly, unplanned outages (breakdowns) declined over the year, and planned maintenance and other outages were also better managed. Overall, we enter 2026 with a substantially improved EAF and sufficient generation capacity to support economic activity and growth. In the first two weeks of January 2026, the EAF is averaging around 70%, well above the 68% target set in the Integrated Resource Plan 2025. However, the trajectory of electricity tariffs poses the next serious threat to competitiveness and economic growth in South Africa.

Figure 1: Electricity tariff increases consistently exceed inflation target



Source: Eskom & Minerals Council

Regarding electricity tariffs, Eskom's MYPD6 submission originally proposed increases of 36.15% in FY26, 11.81% in FY27, and 9.10% in FY28. However, in February 2025, the National Energy Regulator of South Africa (NERSA) approved significantly lower adjustments: 12.74% for FY26, 5.36% for FY27 and 6.19% for FY28 — still amounting to a cumulative increase of roughly 25% over three years.

Two key developments subsequently unfolded:

1. **Error in allowable tariff calculations**

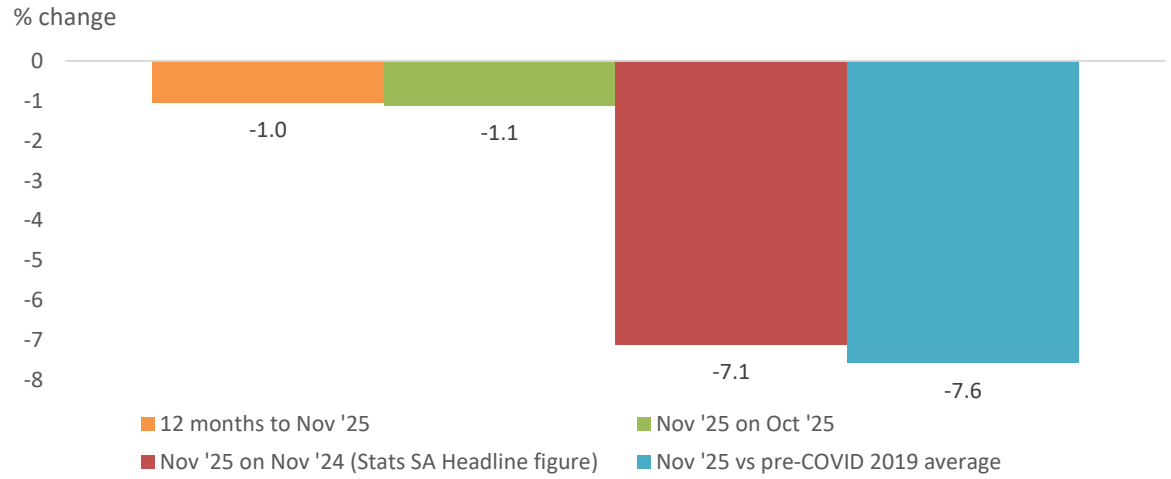
In September 2025, NERSA acknowledged an error in its regulatory asset base valuation that resulted in incorrect tariff determinations. Eskom and NERSA then reached an out-of-court settlement granting Eskom an additional R54 billion in revenue, to be phased in over the next two financial years. This effectively raises the FY27 increase from the previously approved 5.36% to 8.76%, and the FY28 increase from 6.19% to 8.83%.

However, in December 2025, the Gauteng High Court declined to make the settlement an order of court, noting that such a decision requires public participation — similar to the MYPD6 process. As a result, NERSA launched a public consultation in January 2026 on the revised R76 billion tariff adjustment, which Eskom argues is necessary to compensate for regulatory errors, having previously claimed it had been shortchanged by R107 billion. NERSA is expected to issue a final determination following the conclusion of this public participation process in early 2026.

2. **NERSA market inquiry**

In 2025, members of the Minerals Council, the Energy Intensive Users Group (EIUG) and the Ferroalloys Producers Association (FAPA) raised concerns that actual tariff increases exceeded NERSA's approved 12.74% for FY26. This prompted NERSA to launch a market inquiry, with submissions closing in November 2025. The regulator's findings are still pending. Preliminary indications suggest that changes to Eskom's Retail Tariff Plan have resulted in additional costs for some consumers, influenced by factors such as line voltage and distance from substations.

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

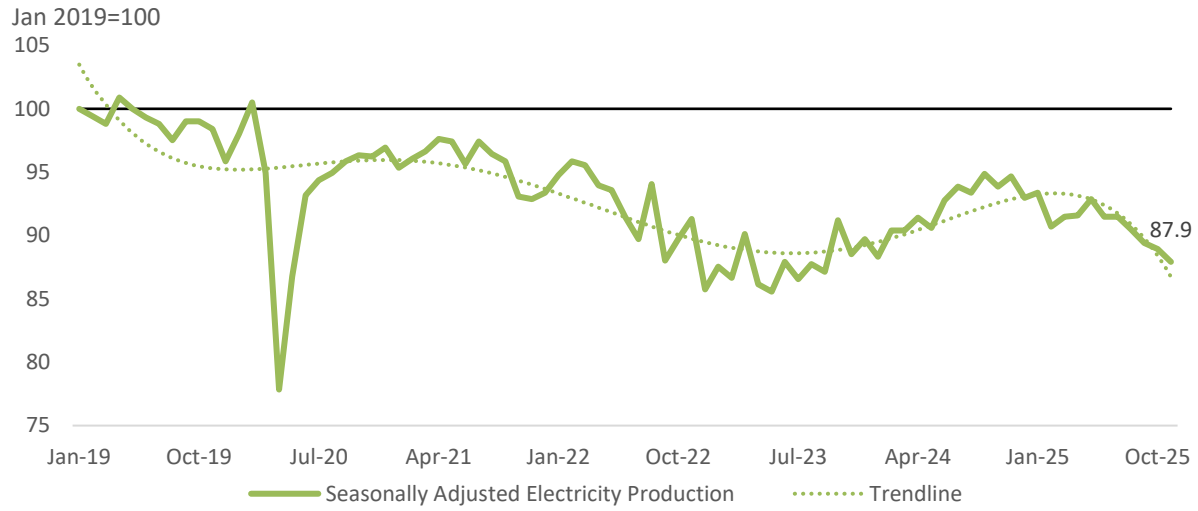


Source: Stats SA and Minerals Council

According to the latest data from Stats SA, seasonally adjusted real electricity generation fell by 7.1% year-on-year in November 2025. On a month-on-month basis, output declined by 1.1%. Electricity production has been on a gradual downward trajectory, driven in part by the prolonged period of intense loadshedding in 2023/24, which prompted many households to shift to alternative energy sources such as solar, gas and backup systems. Heavy industries, including mining, have also invested extensively in cheaper and more reliable renewable alternatives.

Overall, national electricity production remains below pre-pandemic levels. In November, output was still 7.6% below pre-COVID baselines, as illustrated by the sustained downward trend in the figure below.

Figure 3: Electricity Produced and Available for Distribution – All Producers



Source: Stats SA and Minerals Council

Conclusion

While the improvement in Eskom's generation capacity and security of supply over the past year has been significant, the next major challenge is the **affordability of electricity** in South Africa. Current trends indicate that the country is producing less electricity at increasingly higher prices — a combination that suppresses demand and, in turn, constrains economic growth.

Eskom has reported that it now has more than **9,000 MW in cold reserve** due to excess generation capacity — electricity that is not being consumed because it has become too costly for many households and businesses. At the same time, ongoing uncertainty around NERSA's tariff decisions and the broader tariff trajectory is a growing concern, particularly for energy-intensive sectors such as smelting, which face the real risk of closure without relief on electricity pricing.

The present pricing methodology, together with Eskom's dominance across the value chain, is increasingly unsustainable. To ensure long-term affordability, competitiveness and resilience, South Africa needs to accelerate the **liberalisation of the electricity market**, enabling greater competition across generation, transmission and distribution.

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