

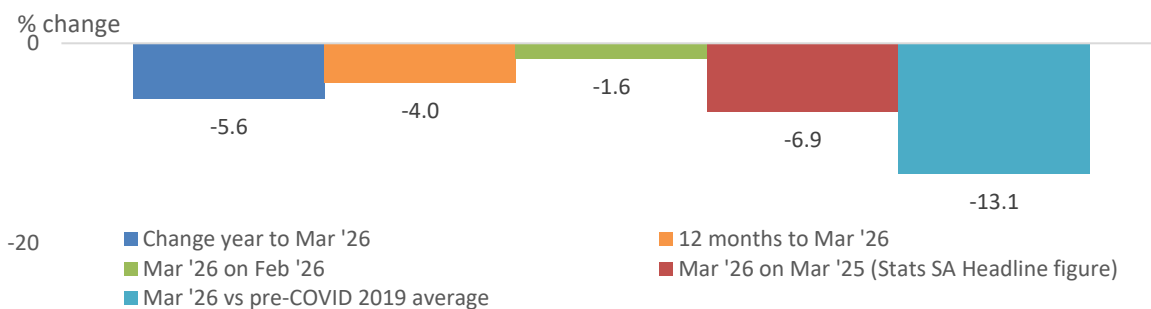
Electricity Update: **March-April 2026**

| Metric | March | April | Unit |
|---|--------|---------|----------------|
| Average Energy Availability Factor (EAF) | 66.8% | 59.9% | Percentage |
| - Maximum EAF | 73.7% | 70.4% | |
| - Minimum EAF | 56.4% | 53.5% | |
| Open Cycle Gas Turbine (OCGT) Usage | | | Megawatt-Hours |
| - Average | 7.6 | 19.6 | |
| - Maximum/peak usage | 927.6 | 1,465.7 | |
| Planned Maintenance (average) | 6,349 | 7,566 | Megawatts |
| Unplanned Maintenance/Outages (average) | 9,201 | 11,286 | |
| Other Maintenance (average) | 162 | 88 | |
| - Total | 15,713 | 18,940 | |

Source: Eskom & Minerals Council

Eskom's **Energy Availability Factor (EAF)** declined month-on-month (m-o-m) in April 2026, averaging 59.9%, down from 66.8% in March. This decrease is mostly seasonal, reflecting increased maintenance activity ahead of the winter peak period. Unplanned outages (breakdowns) increased by just over 2,000 MW in April, while planned maintenance rose by 1,217 MW. In total, maintenance increased by 3,227 MW over the month, contributing to the deterioration in the EAF. Looking ahead, Eskom's Winter Outlook (released on 22 April for the period 1 April to 31 August 2026) points to a more stable supply outlook. Eskom expects no loadshedding over this period, supported by an estimated 6,000 MW of surplus capacity during peak winter demand.

Nevertheless, data released by Statistics South Africa (Stats SA) point to a sustained contraction in both electricity production and consumption in South Africa. Seasonally adjusted real electricity generation declined by 6.9% year-on-year (y-o-y) in March 2026, marking a continued downward trend that has persisted since June 2025. On a m-o-m basis, output fell by a further 1.6%, reinforcing the weak trajectory. Over the first quarter of 2026, electricity generation was 5.6% lower than in the same period of 2025. Since 2024, South Africa has seen the closure of some energy-intensive firms, including Bridgestone, Nissan (Rosslyn plant sold to Chery), and a number of automotive component manufacturers. In the mining sector, the ferroalloys industry has closed smelters because of uncompetitively high electricity prices.

Figure 1: Variation in Electricity Produced (% , seasonally adjusted) – All Producers

Source: Stats SA and Minerals Council

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When assessing the data, there is a clear and persistent divergence between electricity demand and generation capacity, which aligns with the ongoing decline in electricity production. Peak demand has been trending lower since 2025, reducing the need for generation.

At the same time, improvements in Eskom’s plant performance have increased available capacity, widening the gap between supply capability and actual demand. This reflects a structural shift in the economy, which appears to be consuming less electricity. Part of this adjustment is likely due to embedded generation, particularly solar, substituting grid-supplied electricity, alongside the impact of elevated tariffs incentivising more efficient consumption.

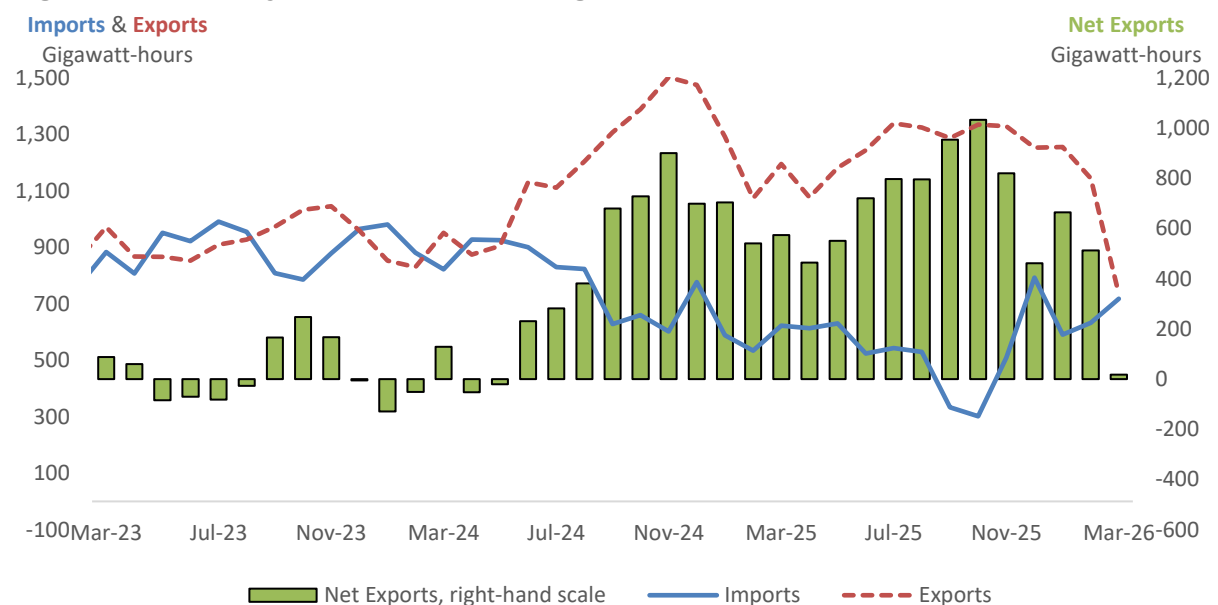
In addition, segments of the energy-intensive industry remain under pressure. Ferroalloy smelters continue to face prohibitively high and uncompetitive electricity costs (notwithstanding Negotiated Price Agreements (NPAs) for firms such as ferrochrome producers Glencore and Samancor), while closures such as Mozal, the South32 aluminium smelter in Mozambique due to high electricity prices, further point to weakened industrial demand.

Taken together, these dynamics translate into lower electricity demand, subsequent reduced production, and a growing surplus in generation capacity.

Figure 2 illustrates recent trends in electricity imports and exports. Net electricity exports declined to near zero in March, largely reflecting the shutdown of the Mozal smelter, a key recipient of electricity exports from Eskom.

This sharp reduction in export volumes is expected to place additional pressure on Eskom’s revenue base, alongside other constraints, including localised load-reduction to address illegal connections, electricity theft, and infrastructure vandalism, as well as rising municipal arrears now standing at an estimated R111 billion.

Figure 2: Electricity Produced and Mining Production



Source: Stats SA and Minerals Council South Africa

Conclusion

There are divergent trends in the electricity sector that complicate the overall narrative. On the one hand, the improvement in generation capacity, particularly Eskom's plant performance and reliability, is clear and well established. Despite the seasonal decline in the EAF in April, driven by increased maintenance (and breakdowns) ahead of winter, performance has improved materially over the past year. This has translated into a sustained period without loadshedding, now approaching a full year.

On the other hand, this improved supply position is being met with weakening electricity demand. In our assessment, this reflects two key factors. First, there is a structural, legacy effect from the period of intense loadshedding during 2023. Households and firms increasingly invested in alternative energy sources, particularly rooftop solar. Estimates from the South African Reserve Bank suggest installed rooftop solar capacity has risen to around 7–8 GW, up from approximately 3 GW in 2022. This expansion has structurally reduced reliance on grid-supplied electricity, contributing to the persistent decline in electricity production, and consumption behind the meter.

Second, persistently above-inflation electricity tariff increases have further dampened demand. Elevated electricity costs have placed pressure on energy-intensive users, with some industries scaling back production or closing operations altogether. This has reinforced the downward trend in electricity consumption.

Taken together, while supply capacity and reliability have improved significantly, demand has softened, resulting in lower electricity production and a widening surplus in generation capacity. Eskom does not foresee any loadshedding this winter and is confident it will be able to meet demand.

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