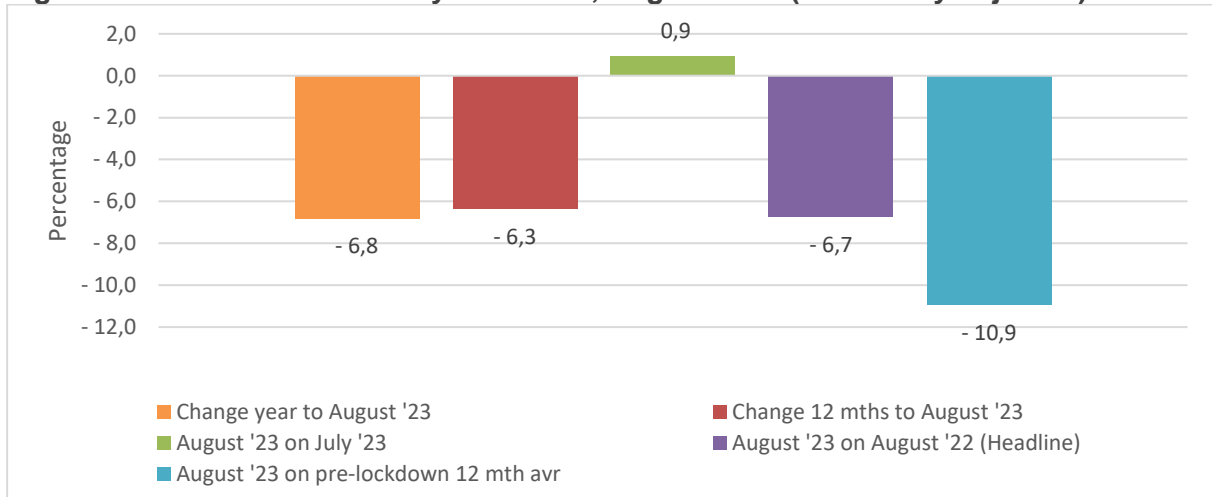


1 ECONOMY-WIDE ELECTRICITY SUPPLY

Economy-wide, seasonally adjusted electricity generation (production) **decreased by 6.7% year-on-year in August 2023**. This is the eighth consecutive year-on-year decline in electricity generation since January 2023. **Month-on-month** seasonally-adjusted electricity production was **0.9% higher in August** than in July.

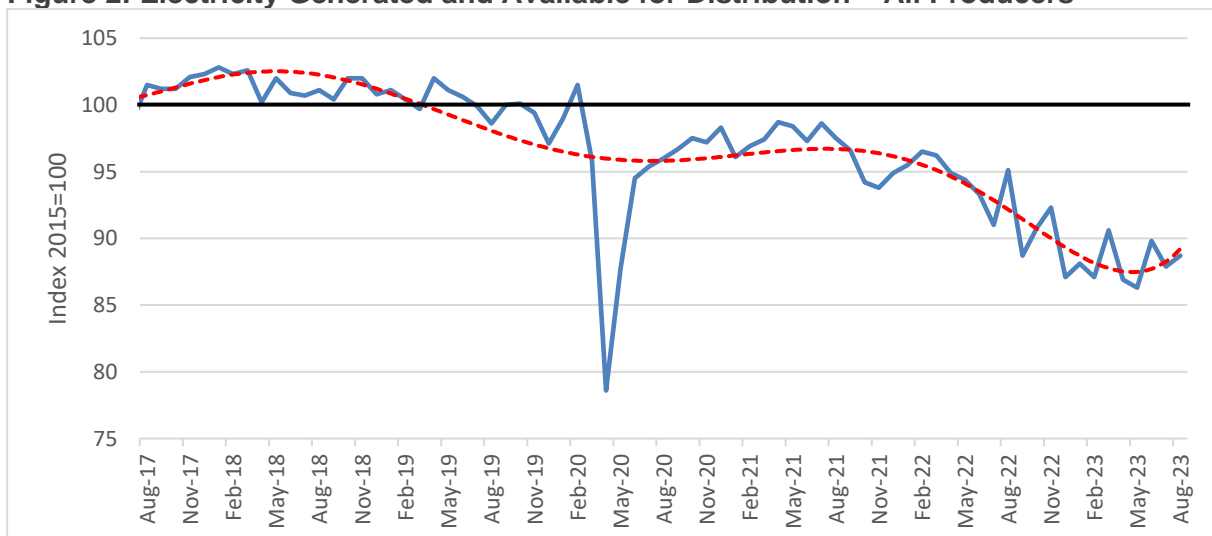
Figure 1: Variation in Electricity Produced, August 2023 (seasonally adjusted)



Source: Statistics South Africa, Minerals Council

The figure below illustrates seasonally adjusted electricity produced and available for distribution by *all producers* in South Africa and shows the continued downward trend. Overall, the decline in generation continues but is driven mostly from Eskom’s side of the supply. August 2023 marks the 23rd consecutive year-on-year decline recorded in electricity production with **year-to-August electricity production being 6.8% lower** compared to the same period in 2022. However, the likely outcome is predicted by the 12 months to August change in electricity production which points toward a 6.3% decline for 2023 compared to 2022.

Figure 2: Electricity Generated and Available for Distribution – All Producers



Source: Statistics South Africa, Minerals Council

2 ESKOM ELECTRICITY SUPPLY

When we consider the actual GWh of electricity produced by Eskom we note the following in the table below:

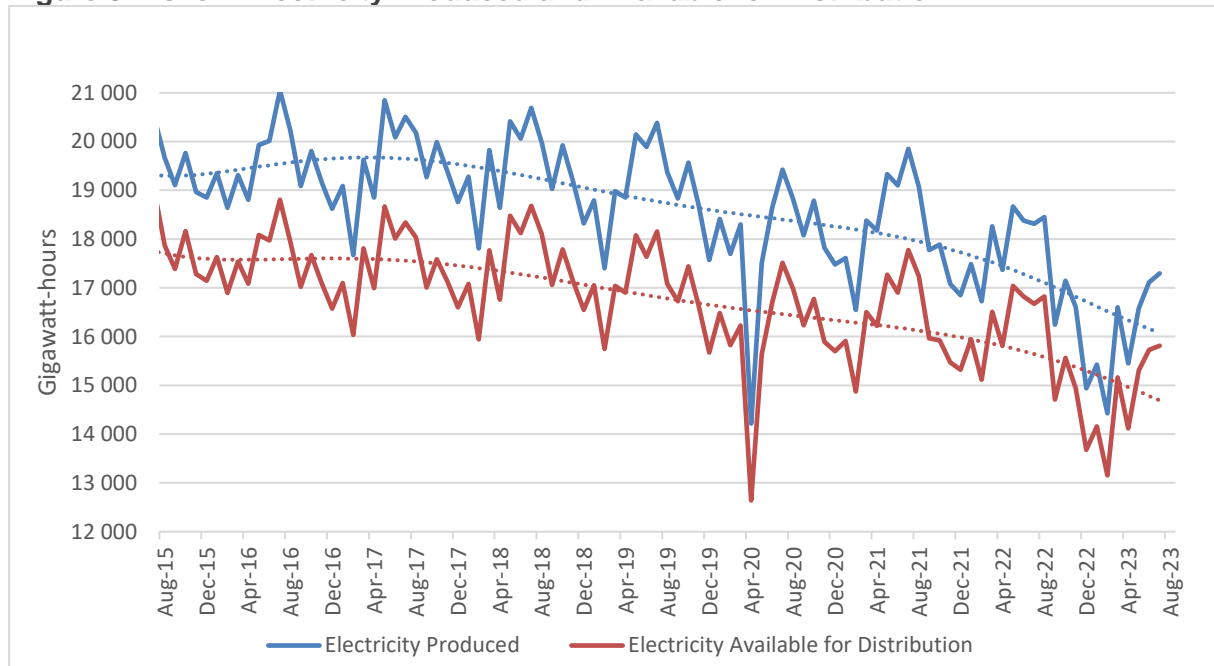
Table 1: Average Eskom Electricity Production (GWh)

2019 (Pre-COVID) Monthly Average	2022 Monthly Average	August 2023	2023 year-to-August Monthly Average
19,040 GWh	17,382 GWh	16,862 GWh	16,218 GWh

- Eskom generated 16,862 GWh of electricity in August 2023, bringing the monthly average for 2023 up to 16,218 GWh. This is summarised in the table above.
- This represents a continued marginal improvement in the trend in terms of the GWh of electricity produced by Eskom. However, at current levels, the average monthly production will still be 1,000 GWh less per month compared to 2022.

Figure 3 below further illustrates the physical volume of electricity produced and available for distribution by Eskom – the difference between the two can mainly be attributed to the electricity consumed in power stations and auxiliary systems.

Figure 3: Eskom Electricity Produced and Available for Distribution



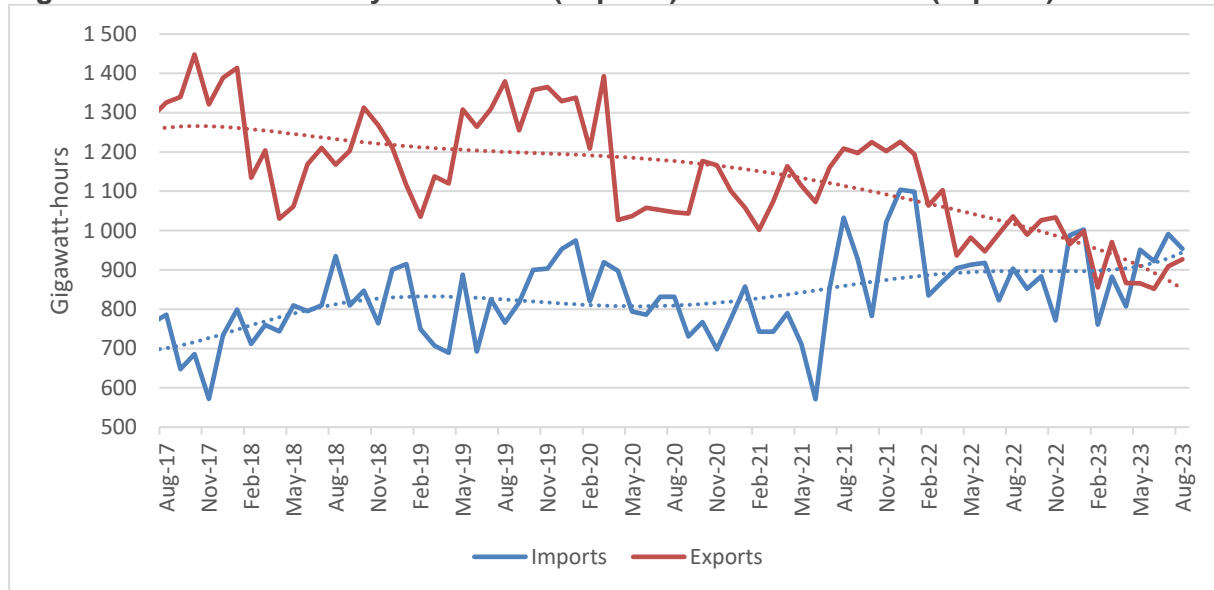
Source: Statistics South Africa, Minerals Council

We note in Figure 3 that the electricity produced by Eskom in August amounted to 16,862 GWh whilst the actual electricity available for distribution by the utility for August 2023 was 15,376 GWh. Eskom has not had more than 16,000 GWh of electricity available for distribution from its generation side since August 2022. However, the data suggest other independent power producers added around 2,297 GWh to the grid in August which was then distributed to end-

users. That brought the total electricity distributed by Eskom from both its supply and third-party supply to 17,673 GWh in August.

Figure 4 below shows that in August 2023, Eskom imported 954 GWh of electricity while exporting 927 GWh, maintaining its net-importer status for the fourth consecutive month. The figure below plots the convergence of electricity imports and exports, a trend that has continued over the last six years due to the utility struggling to match supply with electricity demand.

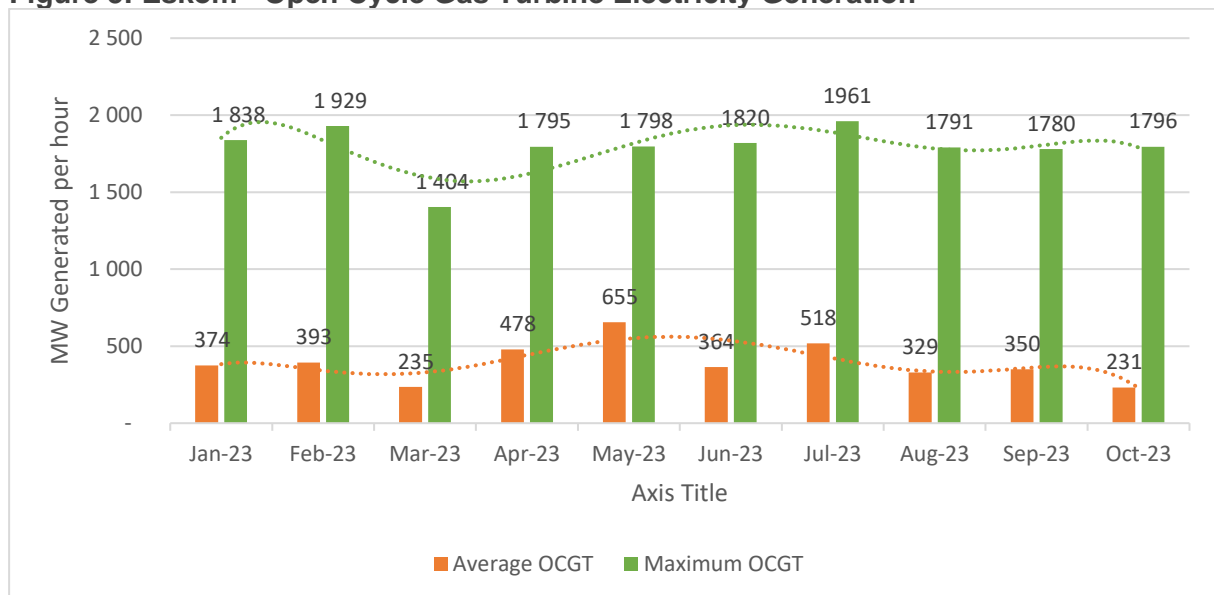
Figure 4: Eskom Electricity Purchased (imports) and Sold Abroad (exports)



Source: Statistics South Africa, Minerals Council

Along with increased imports, Eskom also uses its Open Cycle Gas Turbine (OCGT) electricity stations to plug the supply gap. Over the past 10 months, these units have been used extensively. Figure 5 below illustrates the trend in OCGT usage since January 2023.

Figure 5: Eskom - Open Cycle Gas Turbine Electricity Generation

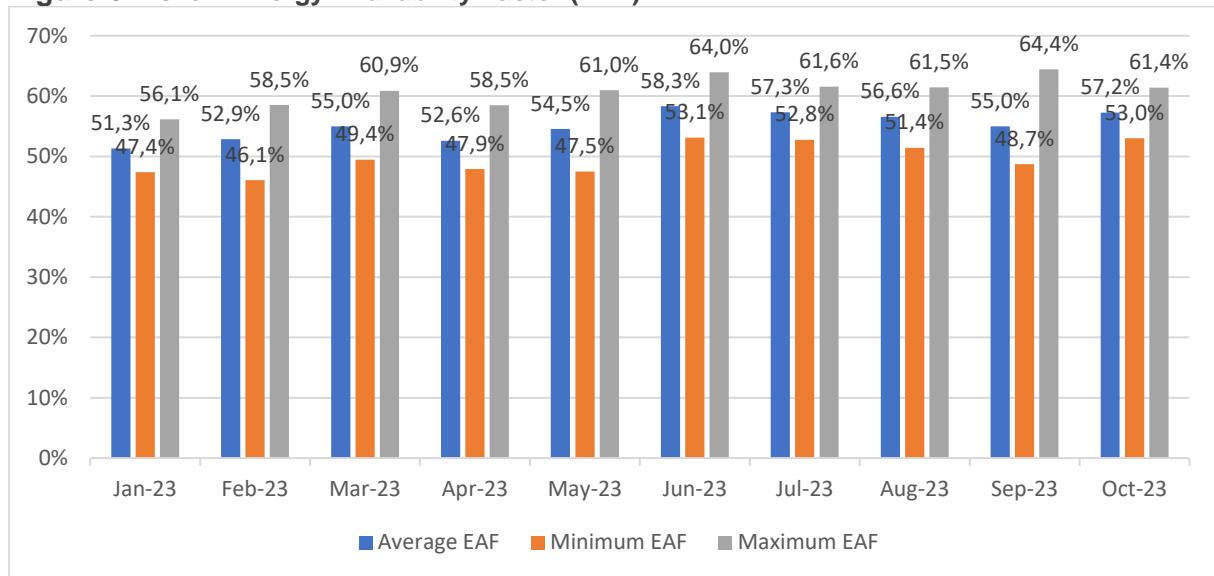


Source: Eskom & Minerals Council

In August, OCGT stations were used at peak to generate 1,791 MW of electricity with the average hourly output for the month at 329 MW. There seems to be a decrease in the average hourly usage of these stations which could indicate more reliable performance of the coal-fired plants but the maximum peak generation per hour remains high.

In terms of the Energy Availability Factor (EAF), August month saw the average EAF decline to 56.6% compared to 57.3% in July. Data for October only up to the 12th of the month.

Figure 6: Eskom Energy Availability Factor (EAF)

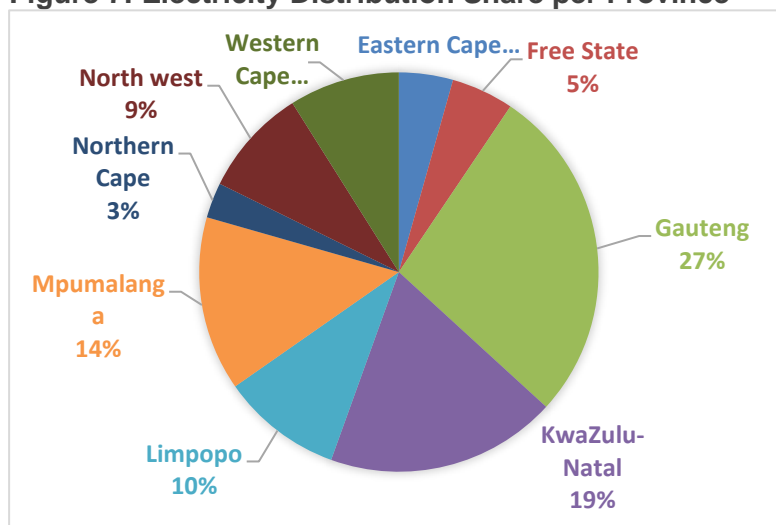


Source: Eskom & Minerals Council

3 PROVINCIAL ELECTRICITY SUPPLY

In terms of the actual distribution of the electricity generated, the figure below illustrates which provinces consumed which share of the total electricity generated in South Africa in August 2023.

Figure 7: Electricity Distribution Share per Province



Month-on-month, provincial electricity distribution decreased by 1.6% in August 2023. The year-on-year physical volume of electricity delivered to the provinces also decreased by 6.3% in August 2023. Overall, the reduction in electricity availability from Eskom continues to put pressure on municipal revenues from the distribution of electricity.

Source: Statistics South Africa, Minerals Council

CONCLUSION:

Economy-wide, seasonally adjusted electricity production decreased by 6.7% year-on-year in August 2023. This is the eighth consecutive year-on-year decline in electricity generation since January 2023. Month-on-month seasonally-adjusted electricity production was 0.9% higher in August than in July. August 2023 marks the 23rd consecutive year-on-year decline recorded in electricity production with year-to-August electricity production being 6.8% lower compared to the same period in 2022.

Yours sincerely,



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