

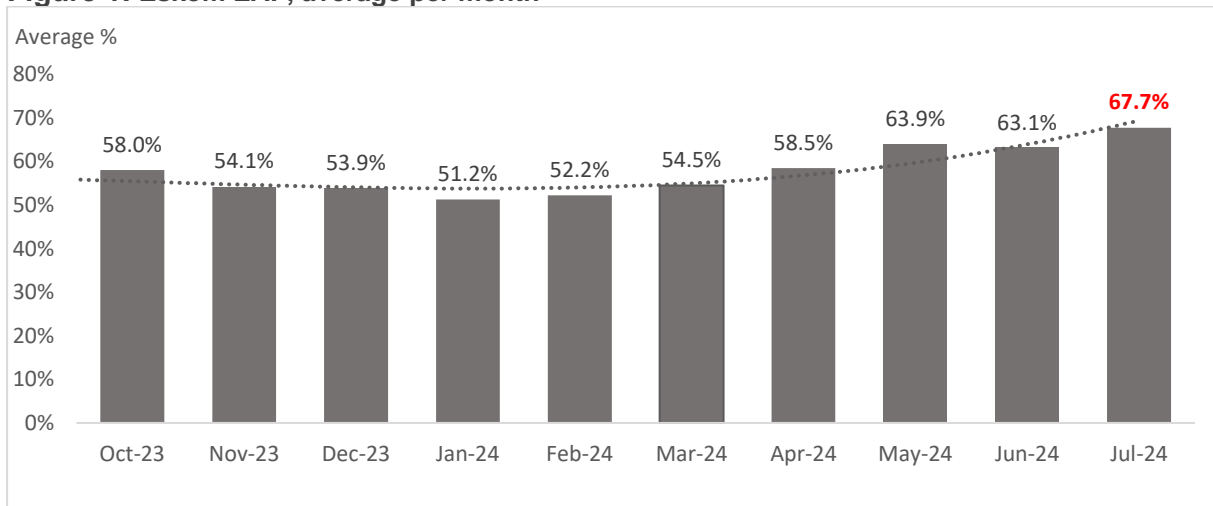
**Eskom Update: June to July 2024**

Metric	June	July	Unit
<b>Energy Availability Factor (EAF)</b>	63.1%	67.7%	Percentage
<b>Load-shedding (all stages)</b>	0	0	Hours
<b>OCGT<sup>1</sup> Usage</b>			Megawatt-Hours
- Average	264	38	
- Maximum	1,880	1,237	
<b>Planned Maintenance (average)</b>	5,454	3,937	Megawatts
<b>Unplanned Outages (average)</b>	11,410	11,130	
<b>Other Maintenance (average)</b>	373	257	
- Total	17,237	15,324	

Source: Eskom & Minerals Council

Eskom's power plant performance is improving, with July showing further enhancements in the drivers of electricity provision in South Africa. Below, we illustrate Eskom's power plant performance using the Energy Availability Factor (EAF). Notably, there have been over 127 days without load-shedding - a significant achievement. Eskom is nearing a sustained EAF above 70%, with the EAF averaging 67.7% in July<sup>2</sup>, more than 4 percentage points higher than in June. This marks the third consecutive month with an EAF above 60% and indicates progress toward the IRP 2019 target of 75%.

**Figure 1: Eskom EAF, average per month**



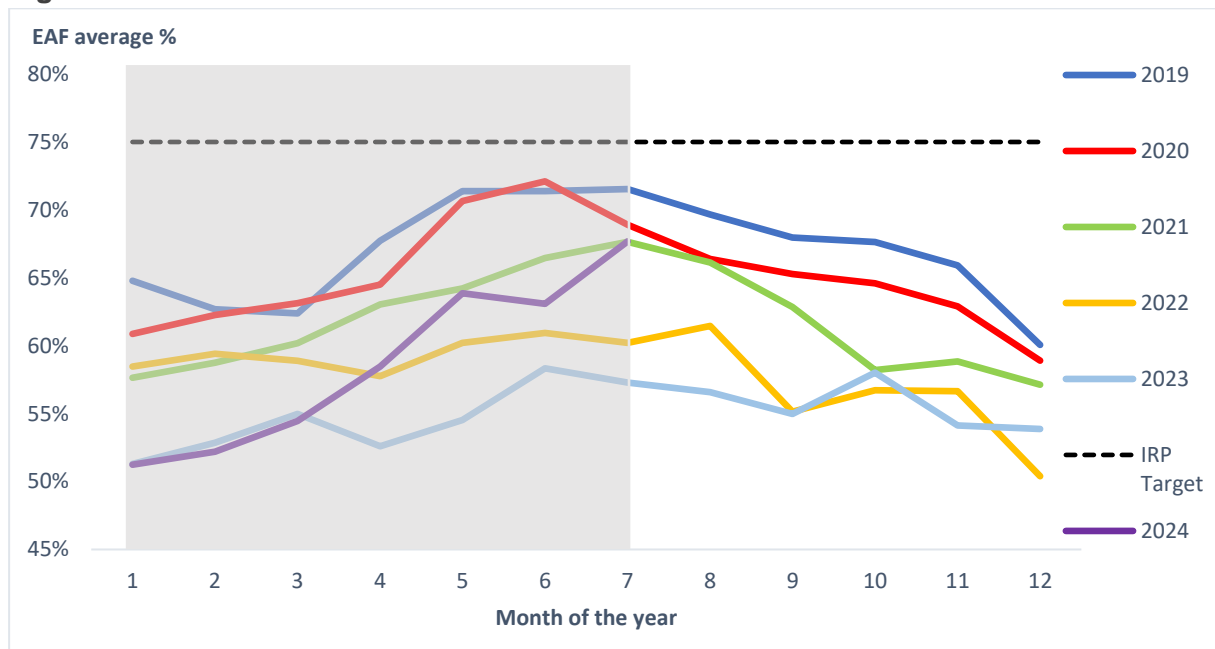
Source: Eskom & Minerals Council

In Figure 2 below, we note that the 2024 EAF trend shows a remarkable recovery and improvement in Eskom's power plant performance compared to 2023 and 2022. The trend suggests we are returning to 2019/20 levels of performance. The consistent rise in the EAF during the first half of this year suggests better operational efficiency and notably fewer unplanned outages as can be seen in Figure 5. If the current trajectory continues, Eskom could meet or exceed the IRP 2019 target, marking a significant milestone.

<sup>1</sup> Open Cycle Gas Turbine

<sup>2</sup> In July, the EAF ranged from a low of 60.9% to a high of 74.3%.

**Figure 2: Historical Eskom EAF**

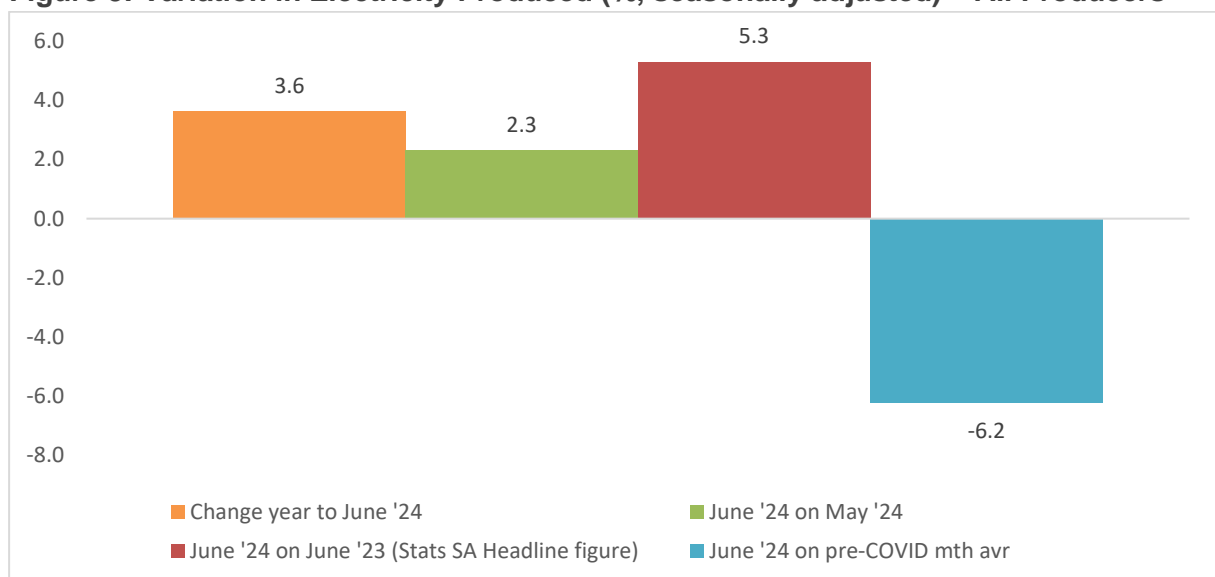


Source: Eskom & Minerals Council

**In a boost to Q2 GDP prospects, electricity output rises smartly**

According to data published yesterday by Stats SA, seasonally adjusted real electricity generation **increased by 5.3% year-on-year in June 2024**. Additionally, **month-on-month** electricity production was **2.3% higher in June** compared to May. Overall, electricity production in June 2024 was about 6.2% below pre-COVID average levels, a noteworthy improvement from the 11% deficit reported in January of this year. In Q2 2024, electricity generation increased by 2.1% compared to the first quarter of the year. This means that the electricity sector will contribute positively to Q2 real GDP.

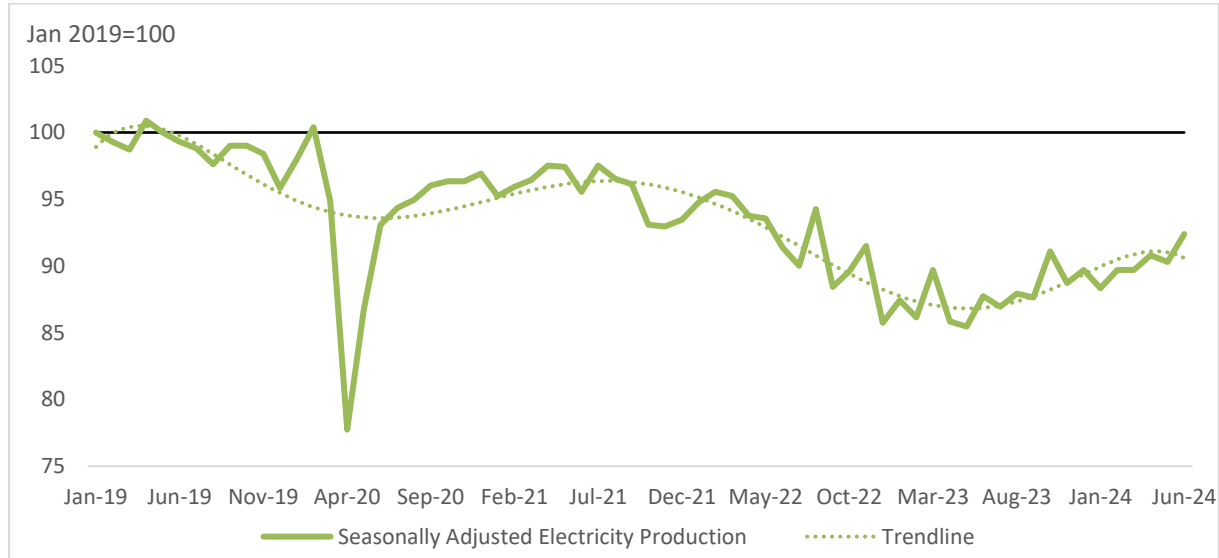
**Figure 3: Variation in Electricity Produced (% , seasonally adjusted) – All Producers**



Source: Statistics SA, Minerals Council

The trend in total electricity production in South Africa is illustrated in Figure 4 below. Production levels remain below January 2019 levels but are increasing, approaching early 2022 highs.

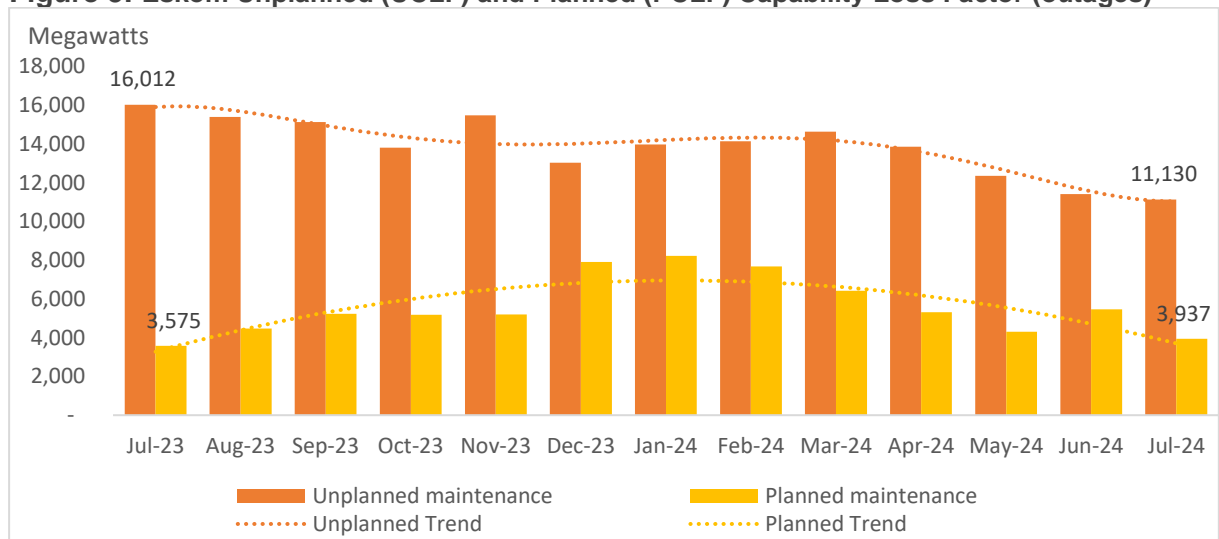
**Figure 4: Electricity Produced and Available for Distribution – All Producers**



Source: Statistics SA, Minerals Council

In Figure 5, the downward trend in **unplanned maintenance** suggests improvements in operational reliability and fewer unexpected outages at Eskom’s power plants. July 2024 marks the best level of unplanned maintenance in over a year, which is a positive sign for Eskom’s power plant management and overall grid stability. However, despite this decrease, the levels of unplanned maintenance remain high, indicating ongoing challenges that need to be addressed. The **planned maintenance** trend is relatively stable, with seasonal variations aligning with typical operational strategies to minimise impact during high-demand winter periods. This indicates a structured approach to maintenance activities, which is essential for long-term plant health.

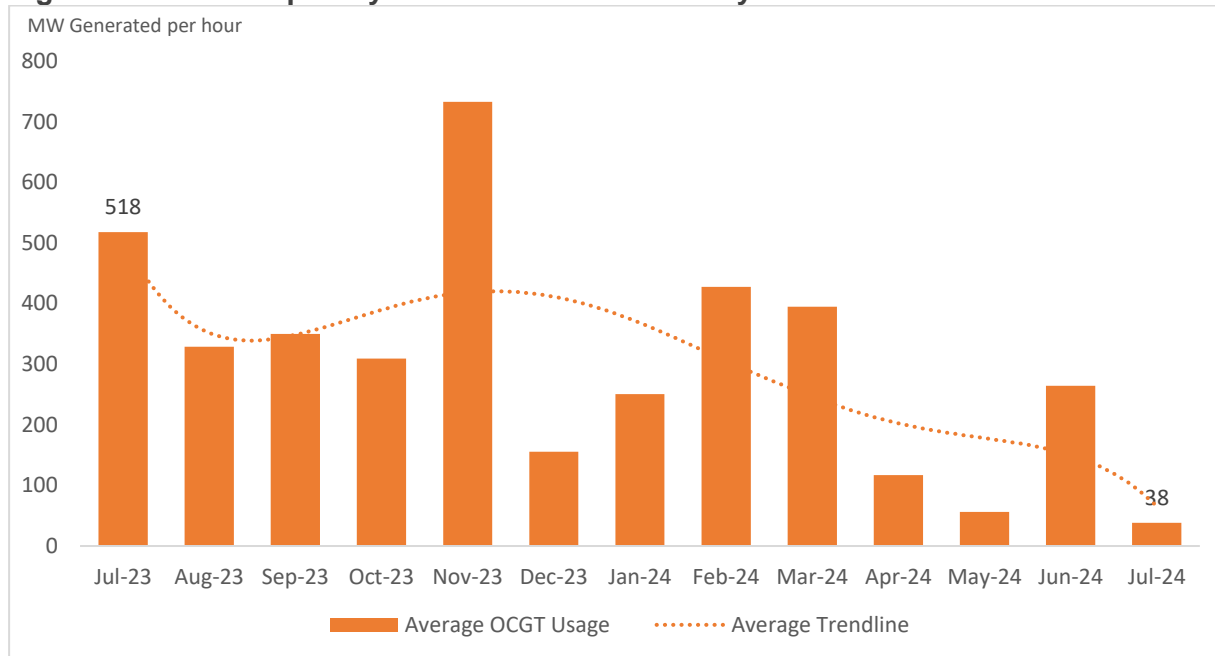
**Figure 5: Eskom Unplanned (UCLF) and Planned (PCLF) Capability Loss Factor (outages)**



Source: Eskom & Minerals Council

In July 2024, the average usage of OCGTs dropped to its lowest level in more than a year. This indicates that power plants are now more capable of meeting electricity demand, resulting in less reliance on OCGTs to handle peak periods.

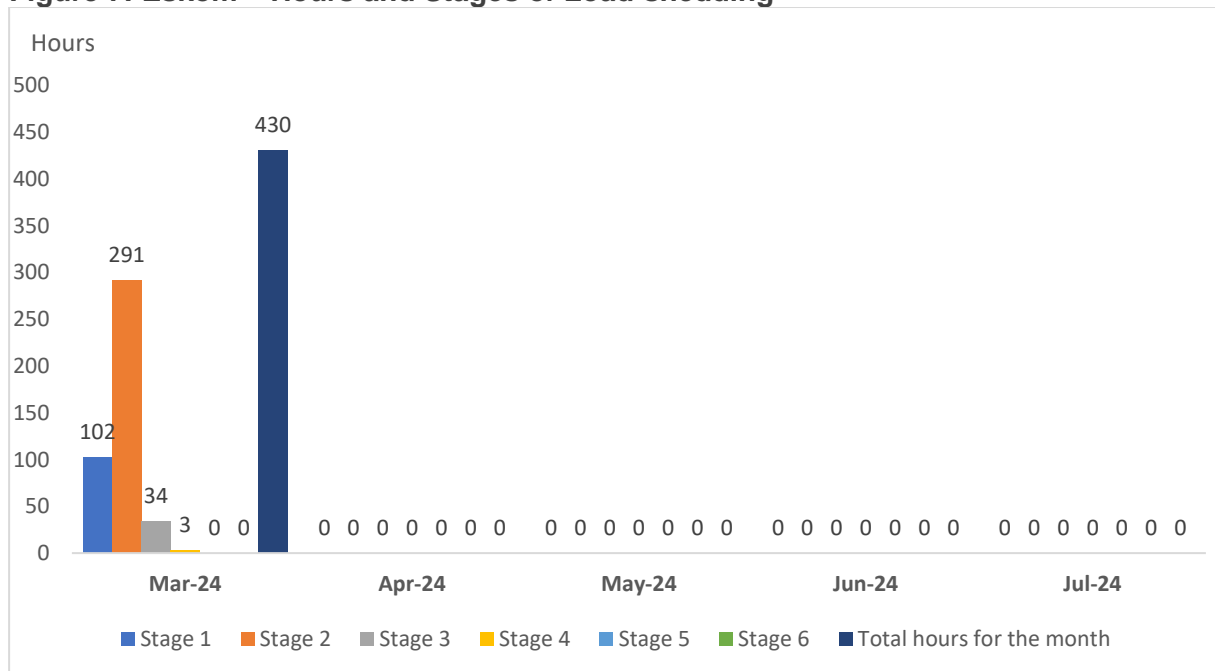
**Figure 6: Eskom - Open Cycle Gas Turbine Electricity Generation**



Source: Eskom & Minerals Council

The graph below illustrates the positive trend in load-shedding, showing a significant decrease in both the duration and intensity of power outages. There have now been four consecutive months without load-shedding.

**Figure 7: Eskom – Hours and Stages of Load-shedding**



Source: Eskom & Minerals Council

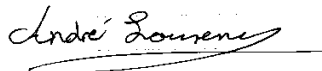
## Conclusion

Eskom's operational efficiency has shown significant improvement in 2024, with over 127 days without load-shedding and a notable increase in the EAF, reaching an average of 67.7% in July. This progress marks the third consecutive month with an EAF above 60%, indicating a positive trajectory towards the IRP 2019 EAF target of 75%. The consistent rise in the EAF is a function of enhanced operational reliability and fewer unplanned outages.

Real electricity generation has also increased, with a 5.3% year-on-year rise in June 2024, reflecting a recovery in production levels closer to pre-COVID averages. Planned maintenance remains stable, following typical seasonal variations to minimise impact during high-demand periods. Additionally, the reliance on Open Cycle Gas Turbines (OCGTs) has decreased to its lowest level in over a year, indicating improved capability in meeting electricity demand. Overall, Eskom's improved power plant performance and operational efficiency are promising signs for the stability and reliability of South Africa's electricity supply. If sustained, this will contribute to an improved real GDP growth performance from Q2 2024 onwards.

- End -

Yours sincerely,



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