

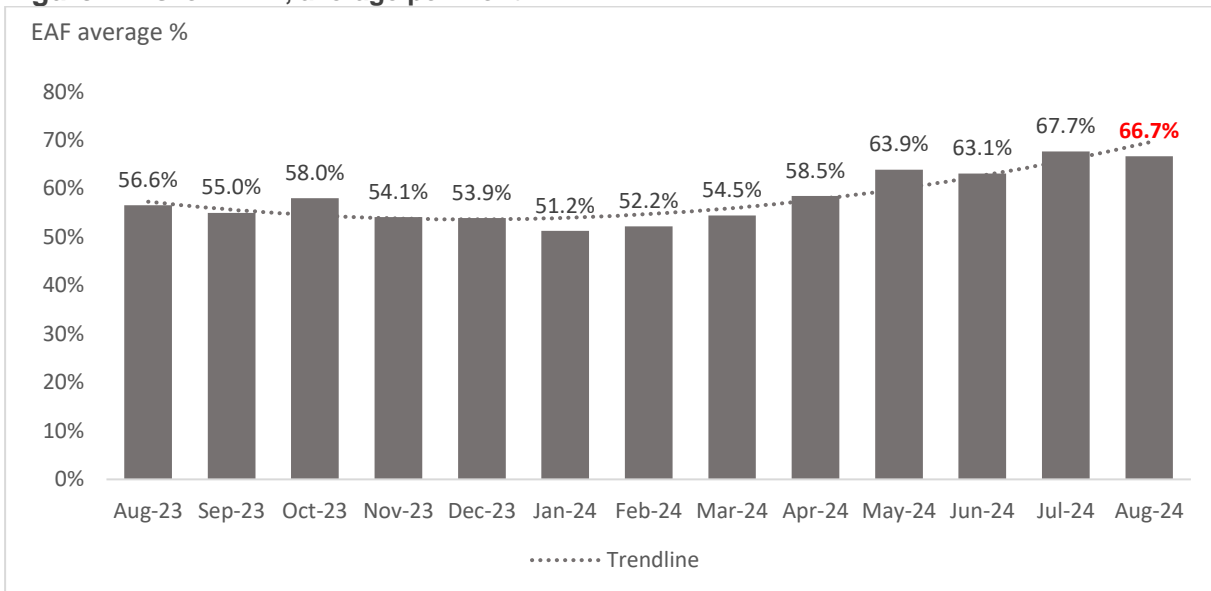
Eskom Update: **July to August 2024**

Metric	July	August	Unit
Energy Availability Factor (EAF)	67.7%	66.7%	Percentage
Loadshedding (all stages)	0	0	Hours
OCGT¹ Usage			Megawatt-Hours
- Average	38	45	
- Maximum	1,237	1,910	
Planned Maintenance (average)	3,937	4,893	Megawatts
Unplanned Maintenance/Outages (average)	11,130	10,527	
Other Maintenance (average)	257	166	
- Total	15,324	15,586	

Source: Eskom & Minerals Council

Eskom has achieved a significant milestone of over five consecutive months without loadshedding. There was no loadshedding during the 2024 winter period, compared to 153 days of loadshedding in the 2023 winter season. Below, we present the performance of Eskom's power plants using the Energy Availability Factor (EAF). While August experienced a slight decline compared to July, the EAF remained robust, averaging 66.7%.² Eskom has sustained an EAF above 60% for four consecutive months, demonstrating ongoing progress toward the IRP 2019 target of 75%.

Figure 1: Eskom EAF, average per month



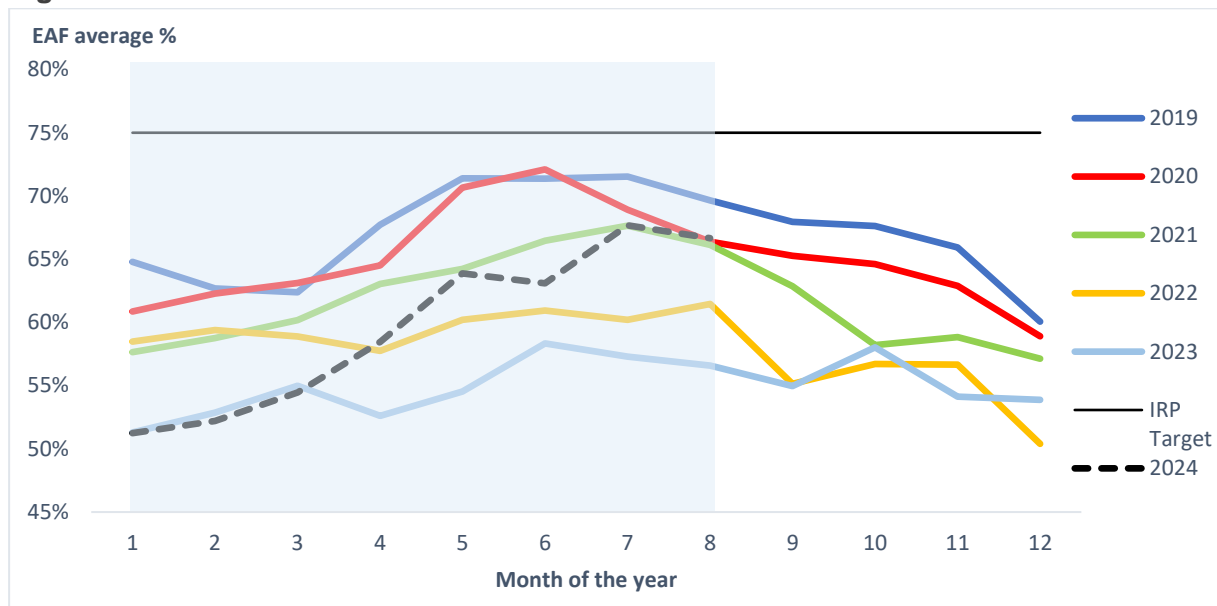
Source: Eskom & Minerals Council

In Figure 2 below, focusing on the 2024 EAF performance (represented by the dashed line), we see a steady improvement from the start of the year, with the EAF consistently climbing and surpassing the 60% threshold by mid-year.

¹ Open Cycle Gas Turbine

² In August, the EAF ranged from a low of 60.4% to a high of 72.3%.

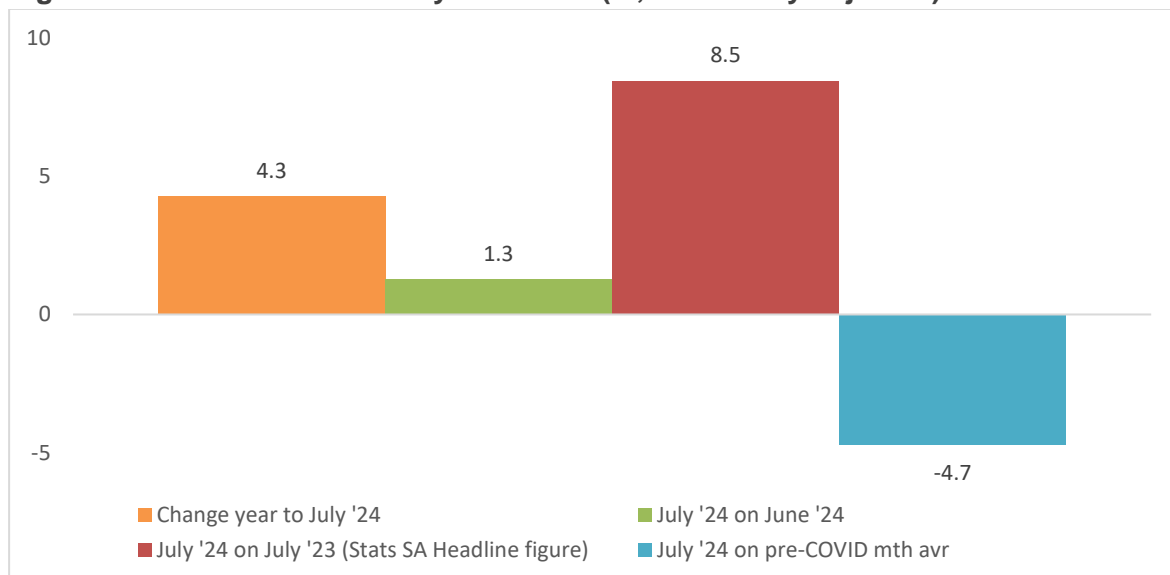
Figure 2: Historical Eskom EAF



Source: Eskom & Minerals Council

The Q2 GDP figures, released on Tuesday, showed that the electricity, gas, and water sector expanded by 3.1% quarter-on-quarter. As expected, this significantly contributed to the economy's production momentum. Moving to Q3, according to Stats SA, seasonally adjusted real **electricity generation increased by 8.5% year-on-year** in July 2024. **Month-on-month**, electricity production was **1.3% higher** in July compared to June. Overall, electricity production in July continued to improve, now sitting just 4.7% below pre-COVID levels - an improvement from the 11% deficit reported in January.

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

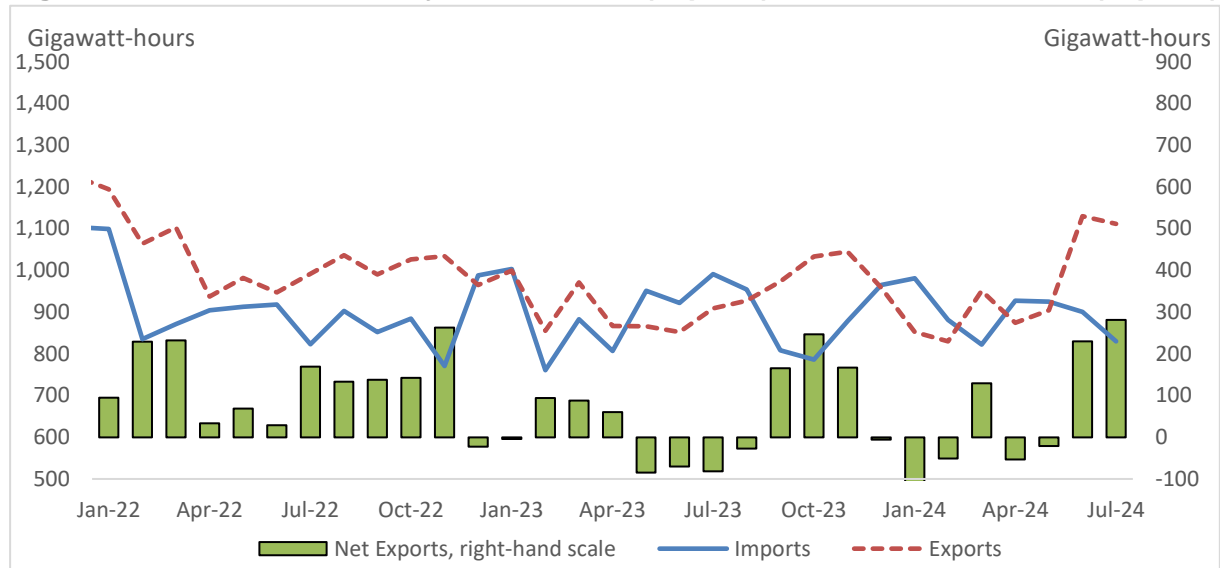


Source: Statistics SA, Minerals Council

Figure 4 shows that in July 2024, Eskom imported 830 GWh of electricity while exporting 1,111 GWh, making the utility a net exporter for the second consecutive month. The figure below plots the convergence of electricity imports and exports, a trend that has reversed over the

past few months. This bodes well for Eskom in terms of revenue earnings from exported electricity.

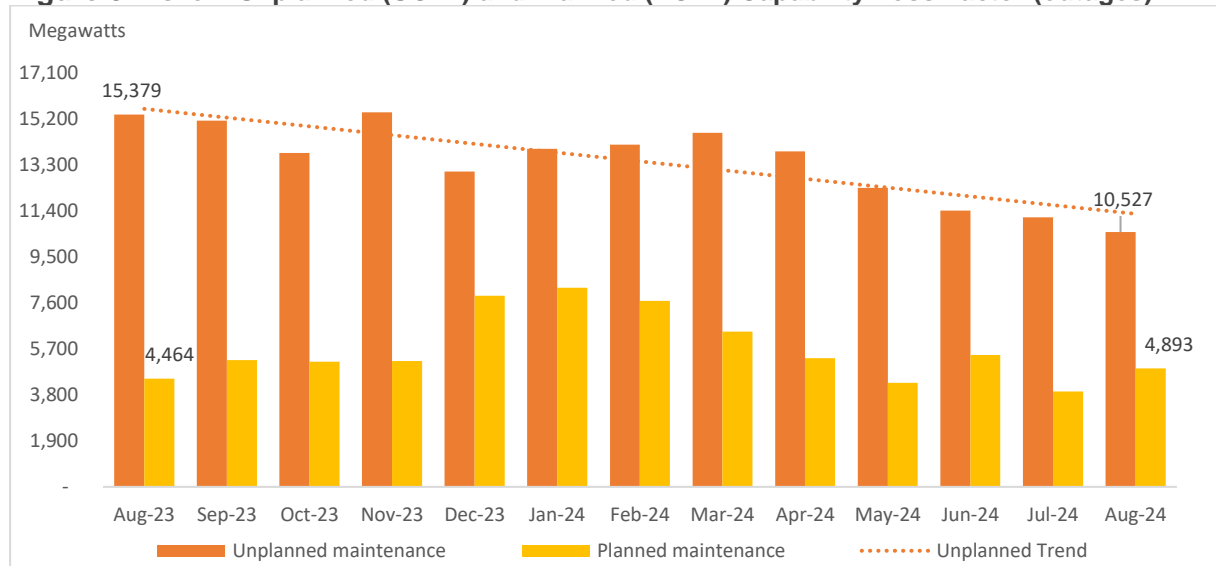
Figure 4: Eskom Electricity Purchased (imports) and Sold Abroad (exports)



Source: Statistics SA, Minerals Council

In Figure 5, the downward trend in **unplanned maintenance** is clearly visible. Unplanned maintenance reached a 12-month low in July and this was further improved upon in August with unplanned losses at 10,527 MW. The **planned maintenance** trend is also encouraging. While August saw an uptick in planned maintenance this was offset by reductions in unplanned losses. The trend in planned maintenance remains positive and Eskom’s structured approach to maintenance activities, which is essential for long-term plant health, is encouraging.

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

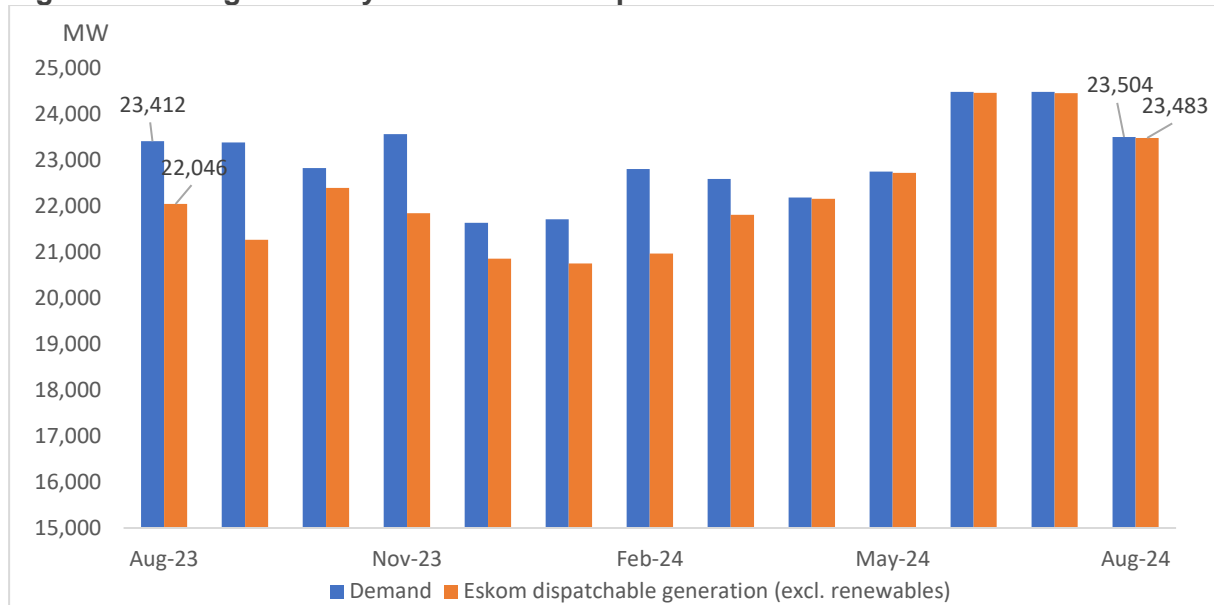


Source: Eskom & Minerals Council

Eskom also aims to add approximately 2,500 MW of generation capacity by January 2025 through the implementation of its recovery plans. Koeberg Nuclear Power Station Unit 2 is

expected to return to service from a long-term outage in December 2024, bringing 930 MW to the grid. Kusile Unit 6 will be synchronised for the first time into the grid in December 2024, adding 800 MW of capacity. The return of Medupi Unit 4 from an extended outage will add another 800 MW before the financial year-end.

Figure 6: Average Monthly Demand and Dispatchable Generation



Source: Eskom & Minerals Council

The figure above illustrates the *average* electricity demand from the economy and users within the country, excluding all forms of self-supplied renewable energy. This demand is plotted against Eskom's dispatchable generation capacity. Since April, the graph shows that Eskom has been able to meet total demand with its available capacity, explaining the absence of loadshedding. Notably, average demand from the economy increased steadily from April 2024, peaking at 24,488 MW in June. However, compared to 2019, overall demand for Eskom-supplied electricity has decreased, with average demand at 25,223 MW in 2019, versus 23,504 MW in August 2024. It is important to note that this analysis only covers demand for Eskom's dispatchable generation capacity and excludes demand met by self-dispatched sources, such as rooftop solar.

Conclusion

In summary, Eskom has achieved a significant milestone by maintaining over five consecutive months without loadshedding, a major improvement compared to the previous winter season. July saw an encouraging rise in electricity production, with generation levels increasing 8.5% year-on-year, which if maintained, will further boost the sector's contribution to economic growth in quarter 3 of this year. Additionally, Eskom has consistently sustained an Energy EAF above 60% for four months, demonstrating steady progress. Despite these gains, continued work is needed to maintain improvements, as historical data suggests the second half of the year is the most challenging for sustaining the EAF. That said, Eskom's recently released summer outlook projects a continued absence of loadshedding from September 2024 through March 2025, which is highly encouraging.

- End -

Yours sincerely,



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