

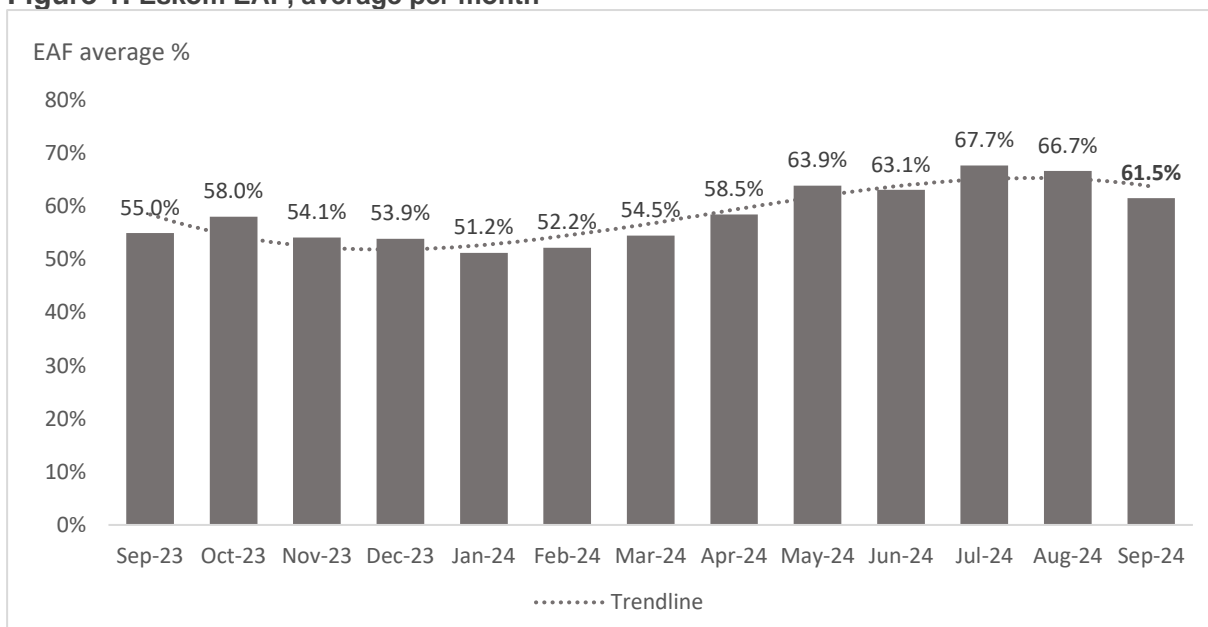
Electricity Update: **August to September 2024**

Metric	August	September	Unit
<b>Energy Availability Factor (EAF)</b>	66.7%	61.5%	Percentage
<b>Loadshedding (all stages)</b>	0	0	Hours
<b>OCGT<sup>1</sup> Usage</b>			Megawatt-Hours
- Average	45	398	
- Maximum	1,910	1,843	
<b>Planned Maintenance (average)</b>	4,893	6,495	Megawatts
<b>Unplanned Maintenance/Outages (average)</b>	10,527	11,306	
<b>Other Maintenance (average)</b>	166	186	
- Total	15,586	17,988	

Source: Eskom & Minerals Council

For more than six months, South Africa has not experienced loadshedding. However, there was a decline in Eskom's September Energy Availability Factor (EAF). In September<sup>2</sup>, the utility reported an average 5.2% drop in the EAF, building on a 1% decrease in August. While planned maintenance was ramped up by around 1,600 MW in September as the country moved out of the winter months (see Figure 2 for maintenance illustration), similar total maintenance levels were observed in June when the EAF was 63.1%. By contrast, September's EAF stood at 61.5%, which is relatively low. While efficiency losses are expected during the warmer months, and the absence of loadshedding is certainly welcome, a sustained improvement in the EAF remains essential as outlined in the IRP 2019.

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

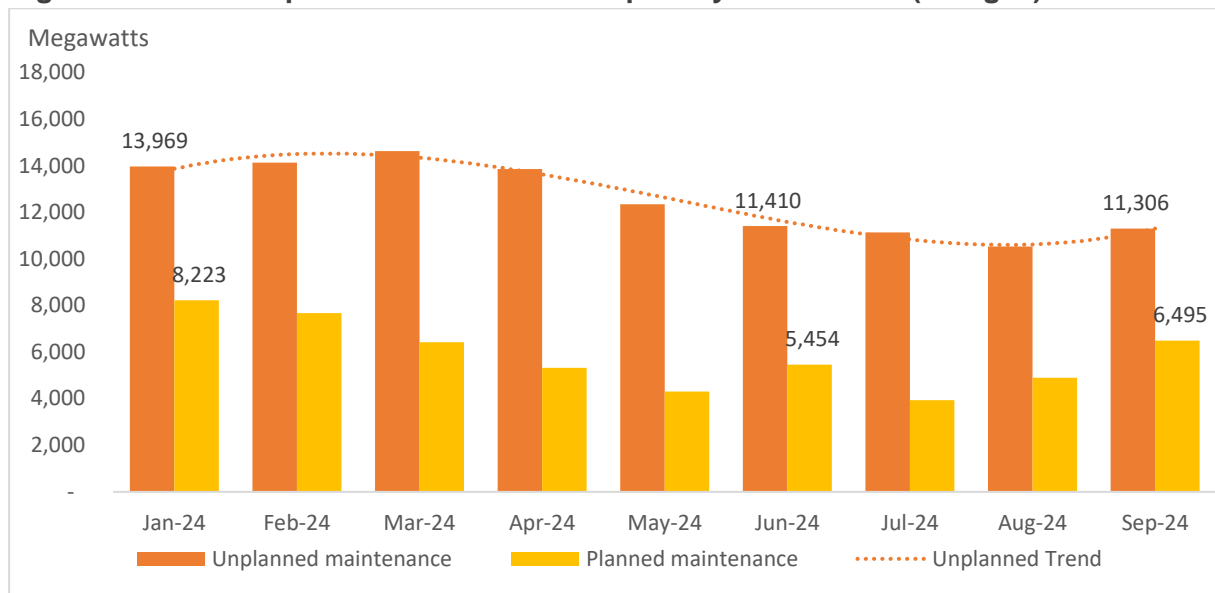


Source: Eskom & Minerals Council

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

<sup>2</sup> In September, the EAF ranged from a low of 55.1% to a high of 69.3%.

**Figure 2: Eskom Unplanned and Planned Capability Loss Factor (outages)**

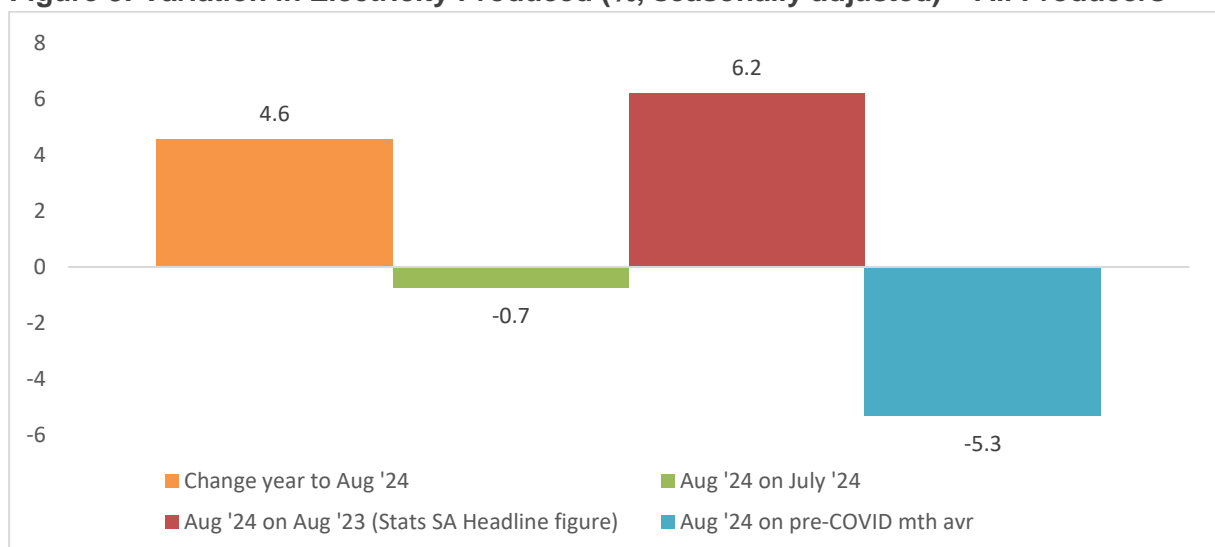


Source: Eskom & Minerals Council

Data released by Stats SA on 3 October showed that seasonally adjusted real **electricity generation increased by 6.2% year-on-year** in August 2024. **Month-on-month**, electricity production, however, was **0.7% lower** in August compared to July 2024.

While overall year-to-date electricity production was up by 4.6% compared to last year, the m-o-m decline in August meant output was 5.3% lower compared to pre-COVID levels of production. Despite the monthly decline in August, electricity generation looks set to increase for the entire third quarter (July to September). Therefore, as in the second quarter, the electricity sector should again contribute positively to real GDP growth in Q3.

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

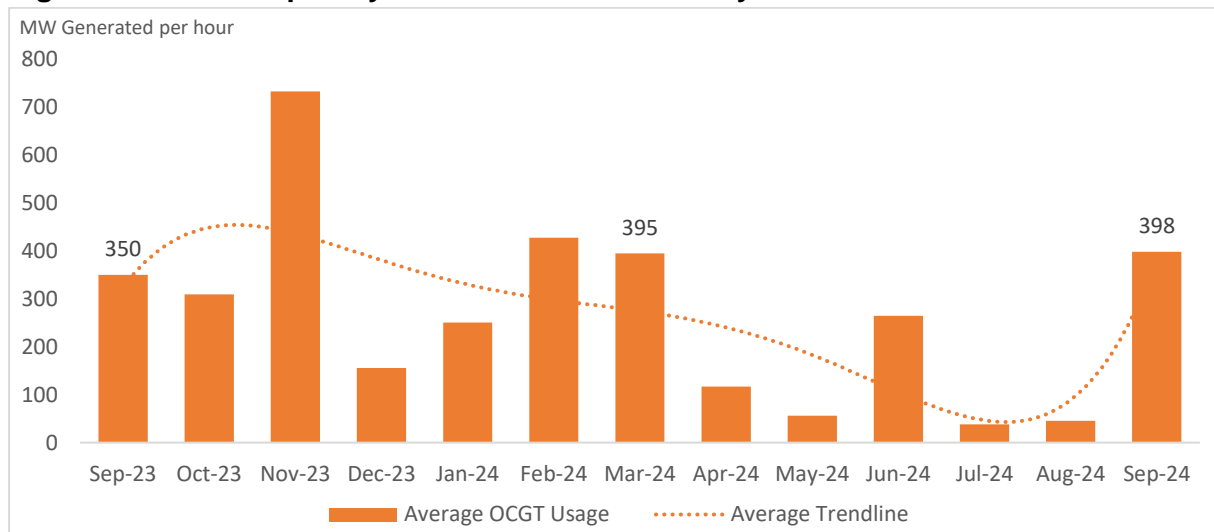


Source: Statistics SA, Minerals Council

In Figure 4 below, September's increased use of Open Cycle Gas Turbines (OCGTs) mirrors the trend in the EAF. In September, OCGT usage increased to levels not seen since March,

emphasising their role in smoothing out generation when planned maintenance is higher. As a result, there was a greater reliance on OCGTs to meet peak electricity demand in September.

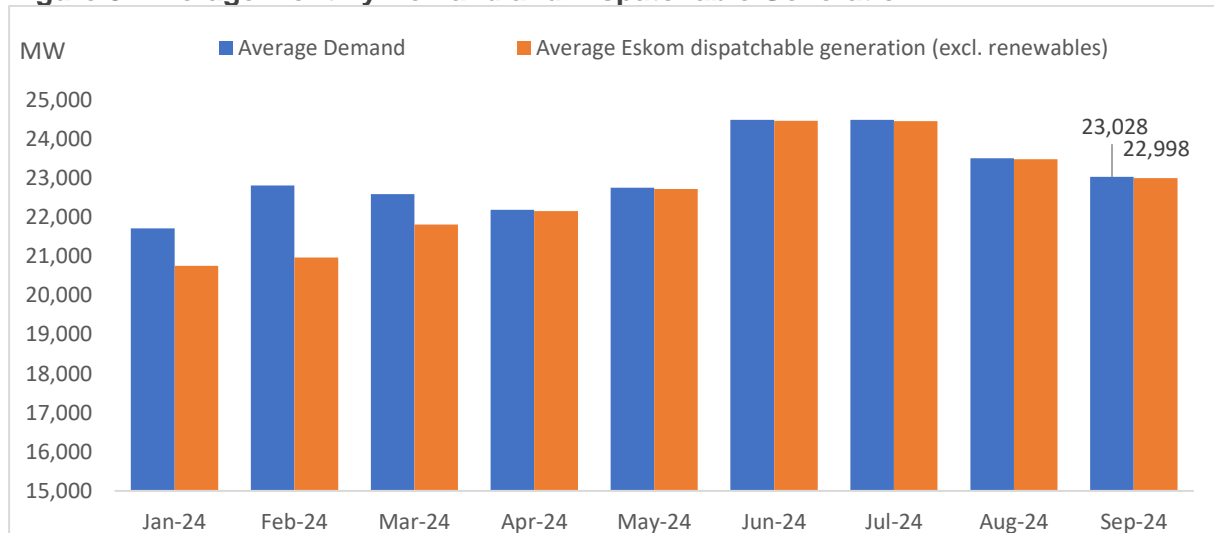
**Figure 4: Eskom - Open Cycle Gas Turbine Electricity Generation**



Source: Eskom & Minerals Council

Figure 5 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.

**Figure 5: Average Monthly Demand and Dispatchable Generation<sup>3</sup>**



Source: Eskom & Minerals Council

Average electricity demand has decreased from the elevated levels experienced during the peak winter months of June and July. In August and September, average demand continued to decline, with September<sup>4</sup> averaging 23,028 MW, closely matched by dispatchable generation. It will be interesting to observe how demand for Eskom electricity may shift after

<sup>3</sup> 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.

<sup>4</sup> In September, peak demand was recorded at 29,000 MW, with maximum dispatchable generation at 28,504 MW.

Eskom's submission of the Multi-Year Price Determination (MYPD) 6 revenue application, which proposes tariff increases of approximately 57% over the next three financial years (FY2026-2028).

## Conclusion

While the recent decline in Eskom's EAF and the increased reliance on OCGTs in September are worth noting, the absence of loadshedding for more than six months is a positive development. Electricity generation has shown year-on-year growth, and the sector is likely to contribute positively to Q3 GDP. As demand normalises after the high-demand winter peak, and Eskom implements more planned maintenance, it will be important to monitor how these factors and proposed tariff increases influence future demand trends. With continued focus on improving the EAF, there is potential for greater stability in the energy supply, aligning with the goals of the IRP 2019. Naturally, issues concerning insufficient and ailing transmission and distribution infrastructure, and the need to decarbonise remain important despite the absence of loadshedding.

- End -

Yours sincerely,



**André Lourens**

**Economist**

Tel: +27 11 498 7100

Cell: +27 73 614 6161

Email: [alourens@mineralscouncil.org.za](mailto:alourens@mineralscouncil.org.za)