

Electricity Update: **January-February 2026**

Metric	January	February	Unit
<b>Average Energy Availability Factor (EAF)</b>	71.0%	68.5%	Percentage
- Maximum EAF	78.6%	76.4%	
- Minimum EAF	64.2%	59.8%	
<b>Open Cycle Gas Turbine (OCGT) Usage</b>			Megawatt-Hours
- Average	0	0	
- Maximum	0	0	
<b>Planned Maintenance (average)</b>	5,401	5,055	Megawatts
<b>Unplanned Maintenance/Outages (average)</b>	8,126	9,670	
<b>Other Maintenance (average)</b>	172	151	
- Total	13,699	14,875	

Source: Eskom & Minerals Council

In February 2026, the Energy Availability Factor (EAF) averaged 68.5%, a slight decline from the 71.0% recorded in January 2026. This is still above the 68% target EAF set in the Integrated Resource Plan (IRP) 2025.

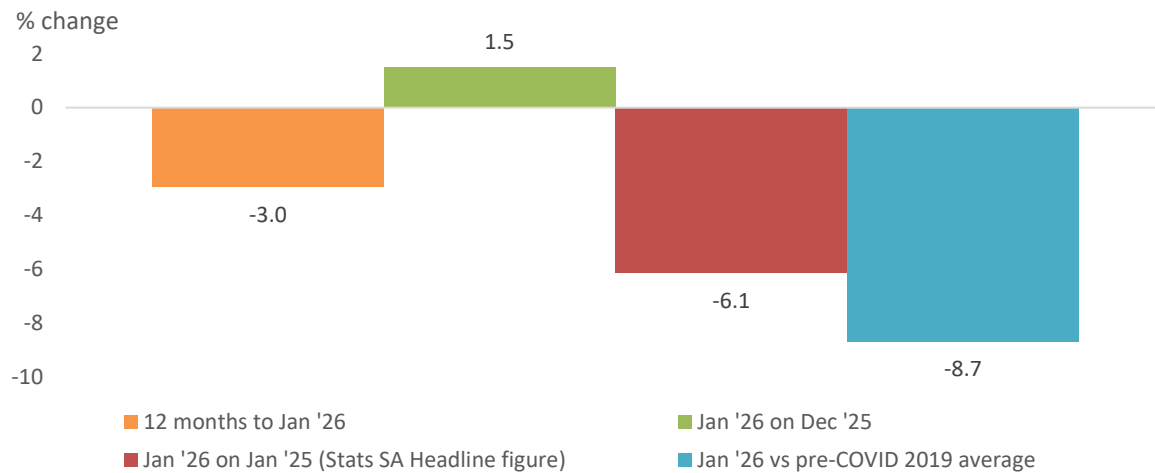
Notably, there was a complete absence of Open Cycle Gas Turbine (OCGT) usage in both January and February. In fact, Eskom last utilised OCGTs in November 2025, effectively ceasing reliance on these peak-management units from October 2025 onward.

This development underscores two key points. First, Eskom has restored electricity supply to a level where peaking plants are no longer required to balance the system. Second, and perhaps more importantly, electricity demand did not exceed dispatchable generation in either month. Peak demand reached 24,274 MW in January and 25,369 MW in February, both of which were comfortably met by Eskom. The utility currently holds more than 4,400 MW of cold reserves, reflecting excess generation capacity. South Africa's smelting industry is under pressure from high electricity tariffs. Ferrochrome smelters, major energy consumers, have largely suspended operations until a tariff solution is agreed.

Despite the non-use of Eskom's own OCGTs, diesel expenditure persisted. Eskom has explained that this diesel usage resulted from the dispatch of Independent Power Producer (IPP) OCGT units under existing take-or-pay contractual obligations. These contracts were concluded during a period of severe supply constraints to secure guaranteed minimum usage levels over six-month periods. Under these agreements, Eskom is required to pay for committed capacity regardless of actual utilisation. Consequently, diesel usage in the coming weeks may largely reflect the fulfilment of these contractual commitments. As system performance continues to improve and the EAF strengthens, Eskom's operational focus remains on prioritising the most cost-effective primary energy sources, while responsibly managing legacy contracts and maintaining grid stability.

Data released yesterday by Stats SA indicates a continued decline in the volume of electricity produced and consumed in South Africa. Seasonally adjusted real electricity generation fell by 6.1% year-on-year in January 2026.

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



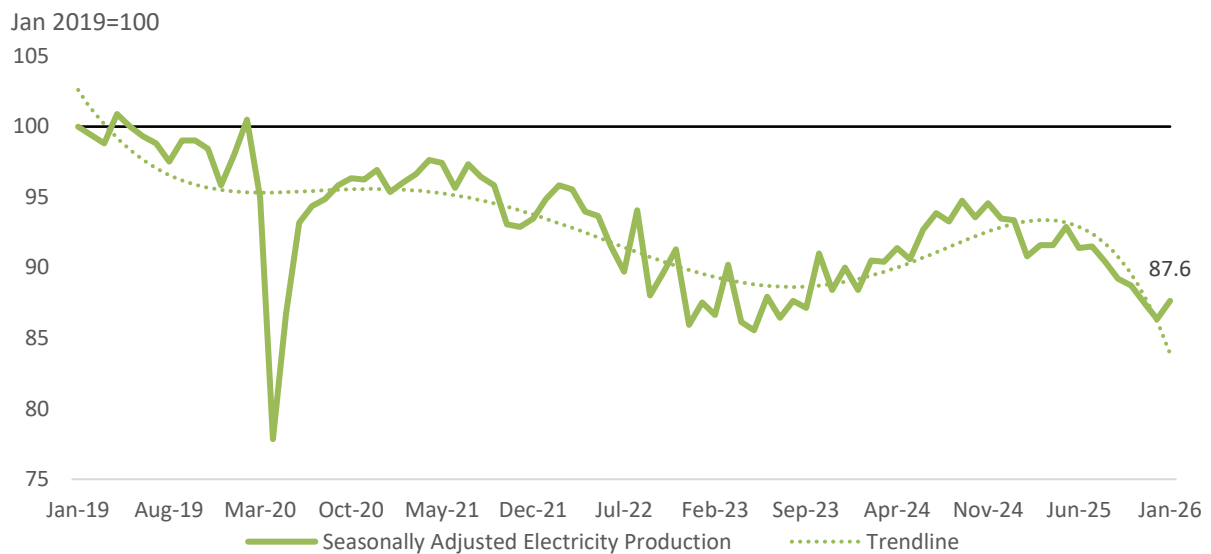
Source: Stats SA and Minerals Council

On a month-on-month basis, electricity generation increased by 1.5% in January, largely reflecting subdued demand in December. Despite this uptick, electricity production continues to follow a gradual downward trend. This is partly attributable to the prolonged period of intense load-shedding in 2023/24, which accelerated the shift by households toward alternative energy sources such as solar, gas, and backup power systems, alongside sustained improvements in energy efficiency across both households and industry.

In addition, January and February proved challenging for the smelting industry, one of the largest consumers of electricity, as several producers continued to ramp down operations. However, recent announcements that the smelting industry will receive more competitive electricity tariffs, enabling continued operations and the potential reopening of some smelters, suggest that electricity demand could begin to recover in the coming months. Discussions are underway between ferrochrome smelters, Eskom and the Department of Energy and Electricity on the terms and conditions of a lower tariff to make smelters globally competitive.

Below, we illustrate the long-term trend in electricity production. Overall, national electricity output remains below pre-pandemic levels. In January 2026, production was 8.7% below the pre-COVID baseline and 12.4% lower than output recorded in January 2019.

**Figure 2: Electricity Produced and Available for Distribution – All Producers**



Source: Stats SA and Minerals Council

## Conclusion

There has been a clear and **sustained improvement** in **electricity supply** by Eskom, which has contributed meaningfully to the stabilisation of the national grid. South Africa has now experienced 294 consecutive days without load-shedding, reflecting progress in generation availability, plant performance, and system operations.

At the same time, this period of stability is revealing important second-round effects that underscore the need for continued reform of South Africa's electricity sector. While supply conditions have improved, **electricity demand** remains structurally weak.

Part of the increased availability of electricity is attributable not only to improved generation performance, but also to demand levels that remain below those observed five to six years ago. This outcome reflects several factors. Eskom's efforts to return generation capacity to service and reduce unplanned breakdowns, particularly across the coal-fired fleet, have played a central role. However, prolonged and severe load-shedding in recent years has also led to households and businesses investing in alternative energy sources such as rooftop solar, gas, and backup systems, alongside broader improvements in energy efficiency. These shifts have structurally reduced grid-based electricity consumption.

Going forward, **electricity pricing dynamics** will be shaped by four key factors, all of which have implications for South Africa's global competitiveness. **First**, Eskom continues to incur costs linked to contractual obligations concluded during periods of acute supply shortages. These include payments for diesel-based capacity that is no longer required under current system conditions. **Second**, recent wage negotiations highlight ongoing cost pressures at the utility. Eskom's counter-offer of a 5.5% wage increase to its employees, while below labour's initial demand, still exceeds inflation, which averaged 3.2% in 2025. Over time, rising input costs combined with Eskom's existing cost structure may limit the extent to which electricity tariffs can be aligned with inflation alone. **Third**, the current Multi-Year Price Determination

(MYPD) methodology remains largely supplier-centric and has historically tended to support tariff increases above inflation. **Finally**, through the Eskom Retail Tariff Structural Adjustment (ERTSA), the utility is placing greater emphasis on recovering fixed costs, reflecting the growing shift toward embedded generation. As an example, the generation capacity charge is scheduled to increase by 20% in 2025/26, followed by a further 30% in 2026/27. In light of the above, addressing electricity affordability remains the next major challenge for the industry.

Importantly, while current supply conditions are encouraging, maintaining system reliability over the medium to long term will require continued focus on infrastructure investment. In particular, constraints on the transmission grid must be urgently addressed within the next several years to enable the connection of additional generation capacity, including renewable energy and other sources such as nuclear. As the coal-fired power fleet continues to age and units are progressively decommissioned, failure to expand and strengthen the transmission network could reintroduce system risks over the medium term.

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