

MEDIA STATEMENT

THE MINERALS COUNCIL SOUTH AFRICA SUPPORTS PRESIDENT RAMAPHOSA'S ENERGY RECOVERY PLANS AND URGES FASTER INCLUSION OF PRIVATE ELECTRICITY SUPPLIERS TO RESOLVE THE CRISIS

Johannesburg, 19 September 2022. The Minerals Council South Africa supports President Cyril Ramaphosa's electricity recovery plan and urges more rapid private sector participation in resolving the country's deepening electricity crisis.

The plans outlined by President Ramaphosa in July to stabilise South Africa's electricity supplies included, as a primary focus, the stabilisation and normalisation of Eskom, which declared Stage 6 load shedding on Sunday after multiple plant failures.

"It is critical we get stabilisation in the existing network while we in the private sector do what is necessary to get investment into the next stage of South Africa's energy chapter by developing alternative additional sources of electricity in the form of renewable energy," says Roger Baxter, Minerals Council CEO.

"We know load-shedding will be a risk for the next two years, but we must continue to bring supplemental supply from the private sector on stream as quickly as possible," he says.

There has been encouraging progress from the government around the time it takes to register private renewable energy projects, access Eskom's grid and relax environmental permitting, but there are still unnecessary bottlenecks that are delaying investments. The Minerals Council and fellow business groups and energy users have raised these with the Presidency and relevant ministers.

Members of the Minerals Council South Africa have 6,500 MW (6.5GW) of embedded energy projects in the pipeline which will ease demand pressures on Eskom, giving it the space to conduct much-needed maintenance programmes. The 89 projects by 29 mining companies are worth more than R100 billion.



The mining industry's projects are part of the more than 8GW of energy projects the private sector has planned, taking advantage of the removal of the 100MW cap on licence-free embedded energy projects by President Ramaphosa in July.

Eskom CEO, André de Ruyter, has said the utility needs up to 6GW of additional electricity supply so its teams can conduct effective maintenance programmes on its fleet of aged power plants.

The energy projects in the mining industry are largely for self-use as the sector strives to be a net-zero carbon emitter in line with commitments by its global peers by 2050. The industry has noted Eskom is willing to buy third-party generated electricity as outlined in President Ramaphosa's energy recovery plans, but at the moment mines are focused on supplying their own needs to take pressure off the national grid.

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