

Utility distorts facts about renewable energy, group claims

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Eskom has been accused of deliberately distorting facts about the cost of renewable power purchases.



The power utility issued a statement last week in which it claimed renewable energy was causing "a net loss" to the economy. "For the first six months of 2015, Eskom purchased 2 terawatt hours [TWh] of wind and solar PV [photovoltaic power]," Eskom said in the statement.

"The CSIR [Council for Scientific and Industrial Research] calculated a total financial benefit of R8.2bn. This was offset against the R4.3bn renewable energy tariff cost, resulting in a net economic benefit of just under R4bn."

But things changed thereafter, according to Eskom.

"From January to December 2016, Eskom purchased 6 TWh of renewable energy from solar PV and wind," it stated.

"Using the same methodology, Eskom calculated the financial benefits, which amounted to R3.2bn. This was offset against the renewable energy tariff cost of R12.2bn, resulting in a net loss of R9bn to the economy."

But Cape Town-based environmental and climate change organisation Project 90 by 2030 said Eskom's assertions were wrong. Richard Halsey, a member of its policy and research team, said Eskom had arrived at the net-loss figure of R9bn using a CSIR methodology that showed the economic benefit of renewables in the first six months of 2015 to be almost R4bn. Eskom had applied the methodology incorrectly, he said. "In early 2015, the power system was constrained; hence diesel was used in open-cycle gas turbines to prevent load shedding.

"The CSIR methodology was specifically designed to measure the immediate fuel-saving effect of renewables in such circumstances," he said.

"In 2016 there were no power system constraints, and in fact, as per its media statement, 'Eskom currently has surplus capacity until 2021', the CSIR methodology used in 2015 was not appropriate for use in the different circumstances of 2016, and it is misleading to extend the financial figure to something other than its intended purpose.

"It is easy to see that renewable energy is now the cheapest source of new-build electricity and getting cheaper, while coal is becoming more expensive financially, socially, and environmentally."

Eskom has been supporting nuclear energy power, arguing that renewables are unreliable, erratic and expensive.

The South African Renewable Energy Council said last week Eskom was "opportunistic in its attempt to mislead and deceive the public, to serve its bid for nuclear power".

Source: Business Day

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