

Eskom commits to complete Medupi power station this year

Deputy President David Mabuza says Eskom has committed to completing the construction of Medupi power station this year, while Kusile will be completed by 2023.



Medupi Power Station

While the system remains under pressure, government is confident that Eskom has put in place the necessary measures to keep the lights on. Mabuza said the contribution of the new build programme to energy availability is critical in the mix of initiatives to ensure energy security.

“Eskom has to deal with cost overruns and defects affecting Kusile and Medupi power stations. We are advised by the leadership of Eskom that a great deal of progress has been made in effecting corrective technical modifications, which are required at Kusile and Medupi.

The power utility has committed to completing Medupi and Kusile power stations by the revised dates of 2020 ...and 2023 respectively,” he said.

Mabuza said although the Covid-19 pandemic might have an impact on the potential completion of the project, the new build will contribute additional capacity to the country’s generation capacity.

The deputy president said, meanwhile, that government has put forward a clear maintenance plan to avoid electricity supply disruptions.

“To consistently achieve acceptable levels of energy availability, a focused maintenance programme is critical to avoid electricity supply disruptions, particularly when you are managing a fleet of old and unreliable power plants.

“We are pleased that the Eskom leadership has put a clear maintenance plan in place to ensure that the energy availability factor is kept at levels which will avoid unexpected electricity supply disruptions.”

Eskom renegotiating coal contracts

Mabuza said the power utility is undergoing a process of organisational transformation, which seeks to achieve significant cost reduction and savings, while improving the overall efficiencies across key drivers such as expenditure on coal contracts and compensation of employees.

Eskom is reviewing its headcount levels in a way that will balance and match business delivery outcomes, and will match the core skills and improve organisational performance.

“As part of achieving operating efficiencies and cost reduction, Eskom has embarked on the re-negotiation of some of the coal contracts to bring them in line with the [value for money] principle -- achieve optimal pricing and ensure win-win outcomes with the affected coal suppliers, in the best interest of our country.”

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