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Cabinet approves SA's new energy plan

IRP 2023 proposes amending the decommissioning schedule for Eskom's end-of-life power stations

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Picture: SIPHIWE SIBEKO/REUTERS

A draft update of SA's energy plan, which serves as a guide for government procurement of new generation capacity, was approved by the cabinet on Friday. The plan proposes amending the decommissioning schedule for Eskom's end-of-life power stations.

The draft Integrated Resources Plan 2023 (IRP 2023) has not yet been published after its approval, but it will be released soon for public comment, said electricity minister Kgosientsho Ramokgopa.

The IRP 2023, which will replace the 2019 version, "computes two horizons", Ramokgopa told journalists on Sunday. In the first scenario, which provides planning guidance up to 2030, the plan reconsiders proposed decommissioning dates for Eskom's ageing coal-fired power stations.

"In the context of the energy crisis there are interventions that will help us, in the short term, to ameliorate the degree of the energy deficit we are experiencing now," he said.

The draft IRP 2023, said Ramokgopa, anticipates "that to be able to meet the crisis that is confronting us there is a need to rethink the schedule for the decommissioning of power stations".

The second “horizon” presented in the plan discusses the development of SA’s energy mix from 2030 to 2050. This part of the plan looks “in the most bold fashion […] at new sources of energy and essentially [SA’s] ability to exploit our renewable energy resources”.

The need to revise the IRP, drafted by the department of mineral resources & energy, arose because the current version of the plan, the IRP 2019, is considered outdated since it does not provide for the procurement of sufficient new generation capacity to meet SA’s desperate need for more electricity.

The IRP 2019 provided for about 29,000MW of additional generation capacity to be added by 2030, including about 20,000MW from solar and wind. This falls far short of the roughly 60GW of renewable generation capacity that Eskom and the presidential climate commission said would have to be added over the next decade to compensate for the shutdown of old coal plants.

The IRP 2019 also makes assumptions about Eskom’s performance and the decommissioning of end-of-life coal-fired power stations that are now outdated.

The 2019 plan outlined plans for five coal-fired plants (including Komati, which was decommissioned last year) to be shut down before 2030. However, given the shortage of generation capacity Eskom has already said it would consider extending the shutdown of some of these plants to 2030.

At Friday’s cabinet meeting Ramokgopa presented a transmission investment plan. This plan, he said, was not approved and his department has been asked to “come back” and to “work on the numbers in relation to some of the governance structures that we are proposing to put in place”.

The cabinet was, however, in agreement with the “overall thrust of the argument presented in the plan”, he said.

Private sector

The cabinet accepted, as proposed in the plan, the need to “tap into the liquidity that is sitting in the private sector” to fund the upgrade and expansion of the transmission grid, said Ramokgopa.

He has previously said that Eskom will have to build 14,000km of new transmission lines (at a cost of about R390bn) over the next eight to 10 years to avoid another electricity crisis in the near future.

A shortage of available grid capacity in the Northern Cape, the Western Cape and the Eastern Cape is already undermining Eskom’s ability to bring on board new generation capacity from renewable sources.

The transmission investment plan proposes options the government could consider to “crowd in” private sector finance for grid expansion. The government has been clear in the past that while it recognises the need to bring in private investors to help fund grid expansion, it would not consider any privatisation of the transmission grid.

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