

# NEVA MAKGETLA: Fix the electricity system, not Eskom

The technology and economy have moved on, and the old electricity model is no longer fit for purpose

 BL PREMIUM

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Electricity transmission pylons are shown in the Dunoon informal settlement in Cape Town. Picture: DWAYNE SENIOR/BLOOMBERG

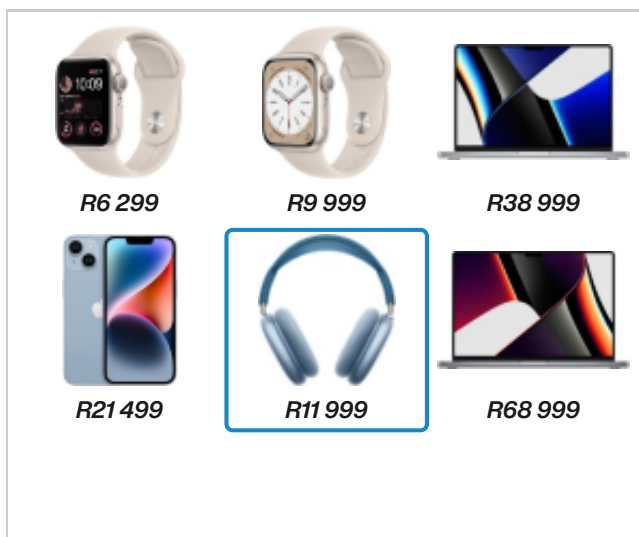
How about a New Year's resolution for the government? Let's stop waiting for a miracle fix at Eskom, and instead find ways to help producers and households deal with its decline. That would need prioritisation of decisive action over endless internal wrangling. And we would all have to lose our nostalgia for the days when Eskom actually worked.

Eskom's endless breakdowns reflect the fact that SA's old electricity model is no longer fit for purpose. The technology and the economy have moved on. The key question, then, is how we can accelerate the transition to a more functional system. Instead, the government has cursed us with policy deadlocks combined with blind trust in Eskom's ability to heal itself.

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Rather than deal with today's realities a vehement lobby is pushing for SA to double down on coal. That ignores the steep price we are already paying for Eskom's bet on the gigantic new coal stations Medupi and Kusile, which resulted in the toxic combination of escalating costs and breakdowns.

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SA is six times more reliant on coal than is the norm in upper-middle-income countries excluding China, while coal producers' rents absorb 15% of GDP compared with well under 1% in peer economies.

Over the past decade local coal producers gleefully narrowed the gap between the

export price and what they charge Eskom. Then they reportedly add to the injury by selling Eskom substandard coal, multiplying its breakdowns. No wonder they are so anxious for SA to keep buying their output.

Just to be clear, load-shedding isn't due to some sudden move away from coal. The national electricity plan expects to reduce dependency on coal only very gradually, over three decades.

Unwieldy and conflictual governance systems have far more to do with why the state keeps failing the economy and voters on electricity. National departments, the autonomous regulator Nersa, Eskom and municipalities split decision-making between them, ruled by complex regulations that make the courts the ultimate arbiter.

None of these actors appears to prioritise a steady, affordable electricity supply. Instead, they seem happy for Eskom to externalise its failures onto producers and households through load-shedding, at a huge cost to the economy, employment and social solidarity.

The shortcomings in governance emerge graphically in the endless delays in procuring new power. Even where the state has pushed through real solutions on paper, fragmented and unaccountable implementation systems have in effect stymied them. Remember the commitment some three years ago to fast track new suppliers to deal with the emerging shortfall?

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And then there's the long-standing promise to rapidly expand procurement from

renewable suppliers. The department of mineral resources & energy puts out the tenders and signs the contracts; Eskom has to pay for the electricity and new transmission lines; the Treasury and Nersa in effect decide on financing and prices. No wonder it has been vastly delayed, poorly costed and badly co-ordinated.

Most recently, we are all now suffering from the government's complete failure to come up with solutions to use new, decentralised technologies such as small solar and battery systems to alleviate the impact of load-shedding on businesses and families.

We have to stop trying to put back the clock to the halcyon days – the 1960s, anyone? – when Eskom's huge coal plants were cutting edge technology and the government didn't care that the majority of South Africans had no electricity at all. That approach is destroying both the economy and social trust. Please can we have an energy tsar with the capacity to determine a viable end-state for the national electricity system, incorporating modern technologies, and the power to act decisively so that we get there?

The second step is to put much more effort into decentralised solutions for small business and communities, with a push to support people who can't afford it for themselves – that is, low-income households and small business.

• *Makgetla is a senior researcher with Trade & Industrial Policy Strategies.*

## Conversation

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RR

Join the conversation, Reg Rumney

Commenting is subject to our [house rules](#).

JS

**Joe Soap** 15 DAYS AGO

Strange having this columnist functionally criticizing her government employer.

REPLY 2 REPLIES  2  0

PM

**Paul Mzobe** 15 DAYS AGO

Reply to **Joe Soap**

She's not in government

REPLY 1 REPLY  1  0

JS

**Joe Soap** 14 DAYS AGO

Reply to **Paul Mzobe**

The nominally independant organisation that now employs her has government as their main client. Being so dependant on government largesse she is functionally employed by government.

REPLY  0  0

RR

Add your reply

DR

**Dominic Rooney** 16 DAYS AGO

Spot on

REPLY  0  0

PW

**pwgg** 16 DAYS AGO

The more this power itch gets scratched the more we reveal how little they actually know about it.

Criminal that we gave them one of the best in the world and they had no intention of looking after it but used it to plain and simple steal.

Break everything else but you could have at least looked after Eskom.

REPLY 3 REPLIES  2  0

1

**SHOW OLDER REPLIES**

PM

**Paul Mzobe** 15 DAYS AGO

Reply to **Fuel Levy-Heist**

Please unpack African barbarians???

REPLY 1 REPLY  0  0

FL

**Fuel Levy-Heist** 15 DAYS AGO

Reply to **Paul Mzobe**

Africans that ground Apartheid jewels like SAA, Necsa, Post Office, VBS, KZN beaches, Eskom...shud i go on tseketseke tuwe?

REPLY  0  0

RR

Add your reply

NN

**Nyanga Nyanga** 16 DAYS AGO

One of the best articles with straight substance and solutions. We need a visionary professional electrical engineer tsar, not attorneys or green idealogs. "Please can we have an energy tsar with the capacity to determine a viable end-state for the national electricity system", can not agree more.

REPLY 1 REPLY  1  1

PK

**Paul Kearney** 16 DAYS AGO

Reply to **Nyanga Nyanga**

My view; the last thing we need is a tsar. We need privatised, open, genuinely free and fair, unmonopolized energy production. But milking the Eskom monopoly is too sweet for the ANC.

REPLY  8  0

RR

Add your reply

JH

**John Hepton** 16 DAYS AGO

Your headline is correct but the article lacks substance.

REPLY  0  0