**NEWS ARTICLE**

No overnight fix for South Africa’s ongoing loadshedding woes

**20 September 2022:** The Stage 5 and 6 loadshedding implemented by electricity utility Eskom recently as it faces a shortage of generation capacity due to a combination of maintenance and unplanned breakdowns highlights the pressing need for the urgent implementation of the energy action plan outlined by the government on 25 July.

While in South Africa the current energy crisis has resulted in of years of loadshedding, many of the challenges behind this are not unique to South Africa. “Globally we see different parts of the world facing an energy crunch that might look different but are based on some of the same fundamental issues,” comments **Janice Foster**, Managing Director – Energy at leading consulting engineering and infrastructure advisory firm [Zutari](http://www.zutari.com).

The action plan announced by President **Cyril Ramaphosa** sent a strong and positive message to the market, industry and private investors looking to invest in renewable energy. “What was great about the President’s speech was that he has opened the energy challenge to a shared solution with opportunities for everyone to have an impact, no matter how small,” says Foster.

President Ramaphosa’s acknowledgement that the country faced an electricity shortage of 6 000 MW “is important because a problem cannot be fixed until it is identified,” adds Foster. While the largescale renewable projects mooted are long-term interventions, Foster says she is “optimistically confident” that the action plan “sets us up to make the right decisions and move us in the right direction. However, for these to start having an impact, they need to be implemented with the utmost urgency.”

A highlight of the plan is doubling the new generation capacity for wind and solar power for Bid Window 6 of the Renewable Energy IPP Procurement Programme (REIPPPP) from 2 600 MW to 5 200 MW, the submission date of which has been extended to 3 October to allow for the registration of additional bidders. Zutari has supported client projects in all REIPPPP Bid Windows to date, including the latest.

Another significant step is removing the threshold for embedded generation capacity entirely. Raising the threshold to 100 MW last year has already unlocked a pipeline of more than 80 confirmed private sector projects which are now starting to reach financial close. With a combined capacity of over 6 000 MW “this is a significant increase in capacity for private off-takers,” says Foster.

Preferred projects in Bid Window 5 are facing a number of obstacles to achieving financial close. “Therefore, a way to resolve the hurdles so that they can move forward into construction needs to be found,” adds Foster.

Another important move by government is the announcement of an Eskom feed-in tariff for small-scale embedded generation. “That is a real signal of incentive to Eskom’s commercial users and private residential customers that they can also contribute and support their own needs at the same time,” says Foster. While municipalities like Cape Town are already forging ahead in this regard, it applies to utility customers at present.

It is also positive that the government is reaching out to the private sector to assist with expertise and skills. “Yes, while there are consulting firms like us that can provide that support, there are also possibly a number of individuals who have left the industry entirely for whatever reason who can be attracted back and add value. I think it has definitely sent a message acknowledging the need for everyone to contribute in whatever way they can. It is a shared problem, so we can make it a shared solution,” says Foster.

The planned battery energy storage to supplement Eskom’s capacity represents a multifaceted approach to the energy crisis. “This opens up the energy storage market to private investment. The addition of Battery Energy Storage Systems (BESS) will support the grid by catering for peak shaving, providing network stability,” adds Foster. These systems will enable greater penetration of renewables into the future.

However, a ‘just’ energy transition is probably the most important consideration from a local perspective. “The bulk of our power supply is still coal-based. As we transition away from fossil fuels, we need to ensure there are opportunities for participation of all stakeholders, especially the thousands employed in the coal-mining industry. Our energy crisis is a relatively solvable problem from a technical standpoint, but the number of social and institutional challenges it brings are equally, if not more, important,” stresses Foster.

“It is a global imperative for the world to reduce its reliance on carbon-intensive energy solutions. This is a problem likely to be with us for the foreseeable future. It is both an energy security challenge as well as the need to reduce the carbon footprint of our energy supply,” she concludes.

**Pull quote**

“I am optimistically confident that the action plan announced by the government sets us up to make the right decisions and move us in the right direction.” – **Janice Foster**, Market Managing Director – Energy, Zutari

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The largescale renewable energy projects mooted by the government will take time and require buy-in from multiple stakeholders. #Loadshedding #Zutari

***Ends***

**Notes to the Editor**To download hi-res images for this news article, please visit <http://media.ngage.co.za> and click the Zutari link to view the company’s press office.

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We have created an impact across Africa for almost 90 years (1932 to 2022) and remain committed to this continent, making us the perfect partner to those less familiar with working in Africa. We are experienced in international projects and our Global Design Centres allow us to bring world-class solutions to our clients.

As a private management-owned company, our commitment is true and we have vested interest in our clients’ success. Our strong relationships allow us to connect the right expertise, processes and resources to match client’s needs and bring stakeholders that have shared interests together.

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