

BUSINESS NEEDS TO BE LESS RELIANT ON ESKOM POWER

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Eskom's problems will take many months or even years to fix and the Chamber believes it is time for businesses to plan to be less reliant on Eskom power.

The City of Cape Town has already gone to court in a bid to get round the Eskom monopoly and be allowed to buy electricity directly from independent power producers.

This is a good move and we applaud the City for taking the initiative. But it is not enough. Business has to do its own planning.

Eskom's main problems are the coal supply and the lack of maintenance on its generating plants. South Africa has huge reserves of coal but the problem is that most of this coal is being transported by road at great cost and that problem will not go away quickly.

Eskom has failed to develop the mines near the power stations and to do so now will cost money that Eskom doesn't have and it will take years.

Maintenance problems are partly the result of a loss of skills and, once again, there's no quick fix.

If the City wins its case to buy power directly from independent power producers all the necessary investment will come from the private sector and it will happen quickly.

A large part of the answer is gas which can be imported to run power stations and for direct supply to industry. Gas power stations are the ideal way to complement electricity from renewable sources because their output can be varied according to need. Direct gas supplies would give industry more control of their energy requirements.

The use of LPG for cooking and heating would also reduce the demand for power during peak hours.

Electricity from independent suppliers is likely to be cheaper than Eskom electricity. The reason is simply that Eskom has a massive debt burden, it is overstaffed and most of its power is generated nearly 2000 km away and that means high transmission costs.

Businesses that use rooftop solar will also save as this eliminates transmission costs and cut out the middle man, a function performed by the City electricity department. Batteries are improving and becoming cheaper so the potential for off-grid electricity and freedom from Eskom's yearly tariff shocks is becoming very attractive indeed.

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