

ENERGY COUNCIL OF SOUTH AFRICA

Setting the scene for change

11 October 2023



+130 CEOs from leading South African businesses pledge to address the country's key challenges

Energy & Mining

AngloAmerican, bp, exxaro, ARM, African Rainbow Minerals, GLENCORE, GOLD FIELDS, Dow, samancor, SASOL, Sibaube Stillwater, thingela, SOUTH32

Manufacturing, Industrial, Motor & Logistics

m sc, ArcelorMittal, Bidvest, REUNERT, BRADIAN, BEIER, sappi, aurex, SAVINO DEL BENE, DSV, ISUZU, FedEx, voestalpine, JG AFRIKA, TOYOTA, NETSTAR

Legal and Professional Services

BOWMANS, KPMG, IQbusiness, pwc, WERKSMANS ATTORNEYS, EY, BDO, IDM, ENS africa, Lennan, OliverWyman

FMCG & Retail

SAB, SPUR, RCL FOODS, TF, Nando's, BAT, CLICKS+, Sea Harvest, SPAR, CAPE UNION MART, Cashbuild, Pick n Pay, HMH, PEPSICO, Massmart powered by Walmart, WOOLWORTHS, Coca-Cola, Dis-Chem

Healthcare

aspens, FRESENIUS KABI, caring for life, BD, BRAUN, Life, HARTMANN

Property, Development and Construction

OUT, Santam, VUNANI, Standard Bank, Swiss Re, Sygnia, Investec, JSE, Discovery, J.P.Morgan, Remgro Limited, SANLAM, OLD MUTUAL, YUNANI, HOLLARD, Rothschild & Co, LESAKA, SBV, Ninety One, YUKILE, GROWTH-POINT PROPERTIES, REDEFINE PROPERTIES, LIBERTY, two°degrees

Technology, Media & Telecommunications

dimension data, EOH, aws, SIEMENS, SEACOM, NASPERS, vodacom, MTN

Other

Astral, 6BEYOND, FIDELITY

Energy is fundamental to any modern economy
Business is actively supporting key economic and social challenges
Government is actively engaging and responding

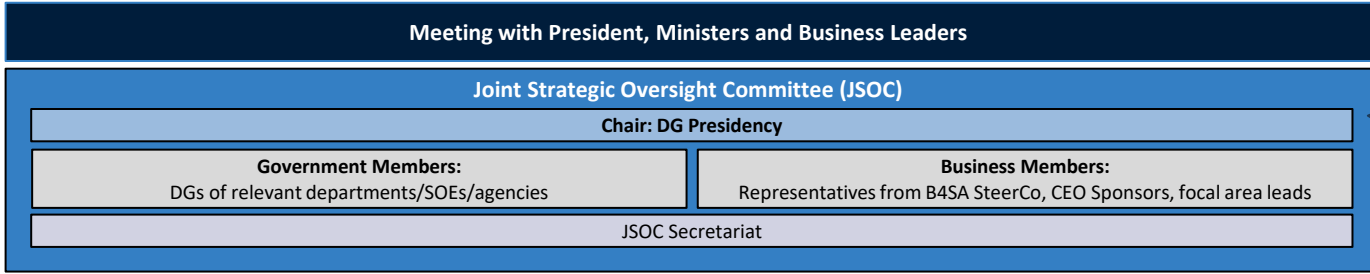
Key statistics

+130
companies

+R11 trillion
Market cap of listed entities

Over 1.3 million
employees

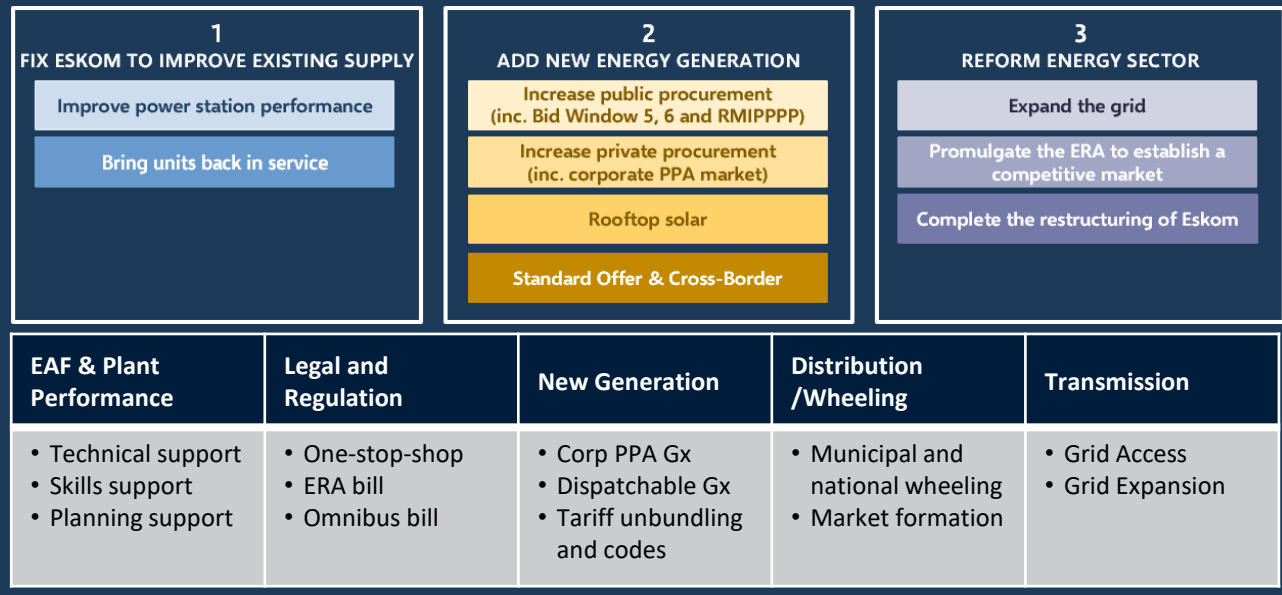
Business-government collaboration to deliver the Energy Action Plan



- 2. Transport & Logistics
- 3. Crime & Corruption

Programme Governance













Focal Area Governance



Decarbonisation and Job creation are two of the most pressing national issues

We must guard against these being positioned as mutually exclusive

The Energy Council strives to provide leadership and create unity in business across the energy sector to support an optimal energy transition pathway for South Africa.

FUELS	POWER	WHERE MUST WE INVEST?	HOW MUST WE INVEST?
		Supply & Technology	 SPEED <i>Driven by policy/legislation</i> Climate change is accelerating disruption risk; SA must be a globally responsible participant
		Demand & Efficiency	 DIRECTION <i>Driven by technology</i> Technology innovation is driving the direction of investment and market report
		Services & Infrastructure	 SCALE <i>Driven by finance</i> Access to finance and affordability will determine the ability to scale-up
		Markets & Regulations	 SOCIAL IMPACT <i>Why we exist</i> Positive impact on jobs, youth and communities

Energy Sustainability Risks

- Private sector investment stalls
- New Generation is too slow
- Lack of holistic system transition



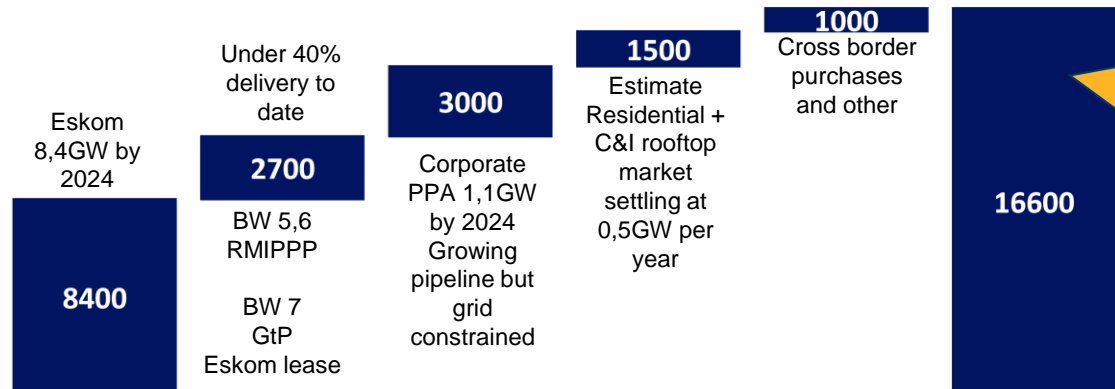
Energy Security Risks

- Relapse of load shedding
- Investment in Coal stations
- Energy system reliability



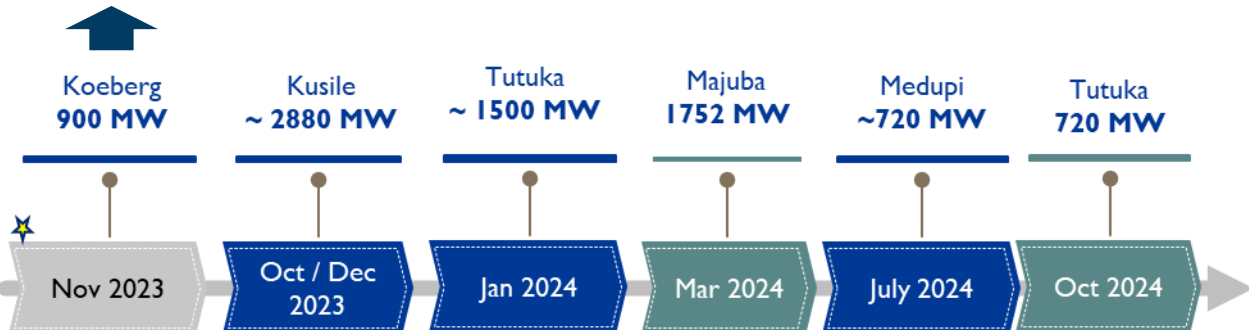
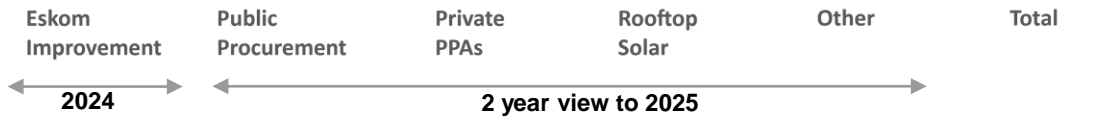
Unemployment is our single biggest threat

A positive outlook on load shedding but falling behind on decarbonisation



Decarbonisation to NDC by 2030 will require circa 11 GW of coal decommissioning, to be replaced by circa 60GW of RE + 8GW of BESS + 5 GW GtP + Transmission + Market

This implies a total system that can sustain 6-8GW of new wind and solar connected per annum, roughly doubling the current rate of development.

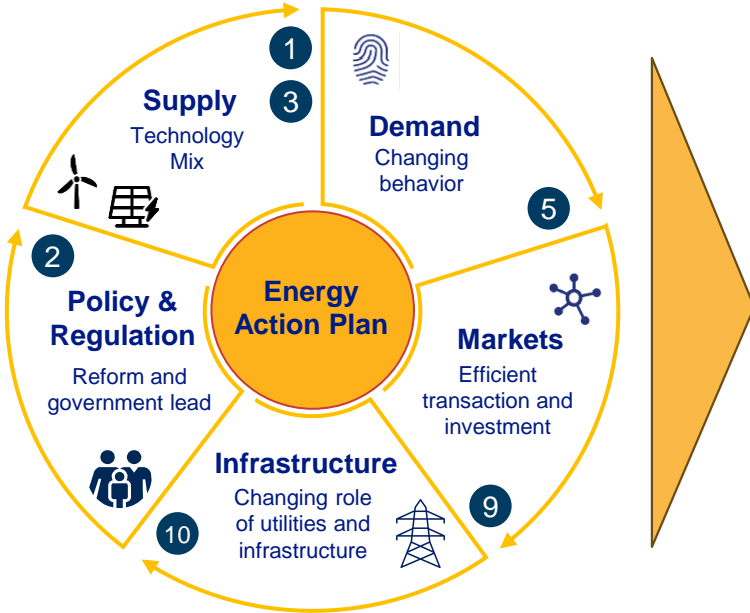


Eskom turnaround: Key insights

- Board sub-committee on ops performance
- New Group Exec Gx – Bheki Nxumalo as well as numerous changes to strengthen Power Station GM level
- Decentralising planning and procurement. Focus on strategic spares and OEMs.
- Focus on priority stations: clear interventions
- Recruitment moratorium lifted; incentive and training programmes re-established.
- Focus on strengthening outage planning
- Budgets committed.
- Lessons learnt – e.g. Koeberg

Our energy focus must shift from “adequate generation” to “total system reliability”

The EAP is a holistic energy-system framework



Under the Presidential Energy Action Plan, we are advancing steadily towards **resolving our energy deficit and putting an end to loadshedding.**

To prevent a relapse of loadshedding in the longer-term, we must **significantly scale up new renewable generation**, alongside balancing ancillaries. We must continue to push for **the most rapid decarbonisation plan that is sustainable and achievable.**

The urgency and scale of our system transition amplifies the importance of

- **integrated critical path planning,**
- **speed of decision-making, and**
- **doubling down on implementation.**

We must do this while ensuring energy system reliability and socio-economic equality are not compromised.

x Relevant NECOM workstream showing EAP is our only holistic energy system planning structure



*Supporting a national vision for a
sustainable Energy Transition*

Thank You