

Eskom on track to split generation, transmission by year end - CEO

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Eskom is on track to split its generation and transmission divisions by the end of the year, although some government and regulatory approvals are still pending, its chief executive Andre de Ruyter said on Friday, 12 November.



Andre de Ruyter, group chief executive, Eskom Reuters/Suraya Hisham

President Cyril Ramaphosa announced in 2019 that the debt-laden company would be split into three divisions - generation, transmission and distribution - to better manage a company that has relied heavily on government bail outs and frequently implements nationwide power cuts.

As per the approved plan, Eskom has to legally separate its generation and transmission divisions by the end of December 2021 and the distribution division by December 2022.

"We are on track to meet all of the Eskom targets for the legal separation of our transmission business by the end of the year," said De Ruyter, while adding government and regulatory approvals were still pending.



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Electricity Regulation Act needs amending

The country's power regulator needs to grant a licence to the proposed transmission company before it can start operating and Eskom is exploring legal options to see the business can still operate while the licence award is awaited, De Ruyter

said.

For the transmission company to be operational, the country's Electricity Regulation Act also needs to be amended which could take 12 to 18 months, the CEO said, adding options to overcome the lengthy process are also being studied.

Eskom, which had over R400bn of debt at the end of March, runs an ageing fleet of 15 coal-fired power plants, with a nominal capacity of up to 47,000MW. It meets up to 90% of the country's power demand.

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