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# New energy plan still overestimating demand, committee hears

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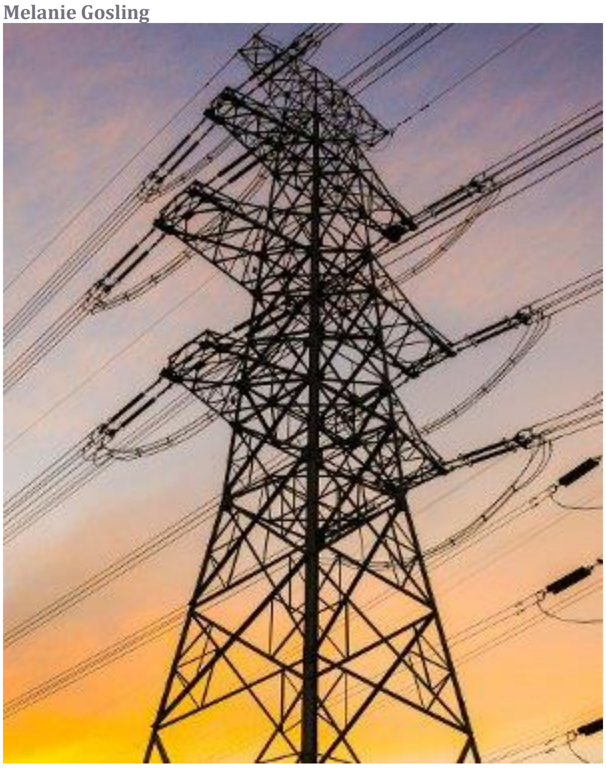

Cash-strapped power utility Eskom is finally tackling the controversial issue of its headcount.



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The Department of Energy's calculations for future electricity demand were way too high and would never happen – but if the government stuck to them, they would have serious cost implications for Eskom and for municipalities.

This was a criticism from several people at the energy committee's round table discussion of the draft Integrated Resource Plan (IRP).

The portfolio committee on energy had invited the Department of Energy and certain members of the public to a meeting on Tuesday so the department could respond to questions on the IRP, which lays out South Africa's future electricity mix until 2030.

The committee heard that the government's IRP of 2010 had forecast a 30% increase in electricity usage by today, but this had never happened.

**Projection 'not possible'**
Now, although the new draft IRP was a vast improvement on that of 2010 - particularly because it was based on a "least-cost" scenario - the new plan still stuck to electricity projections that were far too high.

Professor Trevor Gaunt from UCT's engineering department said there was "no chance that electricity demand would grow by 4% or 5%".

"This projection is not possible in the short term. We've been decreasing for 10 years. But the whole rest of the plan is based on meeting that energy forecast. It is the foundation, and you need to fix that foundation. There are many people who are prepared to contribute to that," Gaunt said.

Professor Harald Winkler from UCT's Energy Research Centre said projections of future electricity demand that were either too high or too low come with a cost to the economy. That was why it was crucial to get the projections correct.

If there was an oversupply of electricity and some power stations had to be mothballed, this was a cost to the economy as there was substantial investment that was not being used.

If there was too little supply, there were blackouts that also came at a cost.

"The IRP persists with making a high projection which has serious implications for Eskom and for local government," Winkler said.

Jacob Mbele, a deputy director general in the Department of Energy, responded by saying that future electricity demand could be extensively debated "and we will all get it wrong because no one has a crystal ball".

The point was to have a future electricity plan that was flexible so that it could respond to the rapidly changing scenarios in the energy sector, Mbele said.

**Missing major global trends**
Winkler believed the IRP was missing a major global trend that was not reflected in the plan.

"We are going to have a very different electricity system in the future which is more decentralised. This is the trend globally and it is starting to happen in South Africa. This shifts power technologically and politically."

He said UCT's research centre had recommended that instead of Eskom shutting down old coal power plants at 50 years, it should rather decommission these power plants when they were no longer economical to run, which may come earlier.

Liz McDaid of the SA Faith Communities Environmental Institute questioned the IRP's costs of nuclear, which it had put at $3 700 per kWh.

However, when the government had called for tenders in 2008 for its then nuclear expansion programme, the costs for nuclear were then $6 000 per kWh. Updated to today's price this would be $8 200 per kWh.

The government had abandoned the nuclear plant in 2008 because it was too expensive.

Bobby Peek of groundWork questioned how the portfolio committee was going to make a "collective decision" in their report to the energy department, when, apart from the chair, there were only two MPs present to listen to the discussions.

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