

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1493 [NW1702E]**  
**DATE OF PUBLICATION: 24 APRIL 2015**

**1493. Mr M G P Lekota (Cope) to ask the Minister of Finance:**

- (1) Whether he had requested the President and the national executive to summon a special bosberaad to consider special government measures to correct with urgency, collaboration and effort possible, the worsening shortage of electricity which the International Monetary Fund as well as the World Bank have cited as the biggest impediment to growth in the economy (details furnished); if not, why not; if so, what are the relevant details;
- (2) whether he had obtained any expert calculations on the extent to which the implementation of the National Development Plan was giving impetus to GDP; if not, why not; if so, what are the relevant details?

NW1702E

**REPLY:**

1. Government established an Energy War Room and developed a five point plan to respond to the challenges facing the electricity sector. The five point plan comprises of the following key interventions:
  - Immediate measures to improve maintenance and operational practices and expedite the capital expenditure programme coming on line;
  - Renew existing co-generation contracts and obtain additional co-generation capacity;
  - Obtain gas for power generation;
  - Expedite implementation of other Independent Power Producers (IPPs) and e.g. IPP peaker project, coal IPP, renewable energy IPPs (REIPPs)
  - Expand Demand Side Management (DSM) initiatives

Highlights in terms of the progress that has been made to date include the following:

- An interim solution has been put in place at Majuba station that has resulted in all of the units other than Unit 5 returning to full output levels;
- Medupi Unit 6 was brought on line and has reached an output of 300MW. Post-synchronisation tests have been completed successfully and combustion optimisation is in progress;
- Plant performance has stabilised and improved somewhat so that rotational load-shedding has reduced;
- Existing co-generation contracts have been extended with effect from 1 April 2015; and
- The Request for Proposals (RFP) has been issued from 2 500MW of coal IPPs.

2. At the moment the ability of the economy to grow is limited by the availability of electricity and hence it is difficult to see the positive impact from the implementation of the NDP. The NDP is currently being implemented and the positive impact will be seen only over the next 2 to 5 years and once the electricity constraint is released.