



The Energy Council aims to enable a unified strategy and vision for a South African energy transition pathway that will support clean industrialisation and global competitiveness, address our economic and social deficits and importantly contribute to a sustainable environment. This is an exciting time full of opportunity with the potential for South Africa to become a global role model as an emerging market leader through the energy transition.



## MESSAGE FROM THE CEO

Recently, I participated in an event where our energy transition journey took center stage. I used the analogy of Alice in Wonderland and the Cheshire Cat, where children learn that if you don't know where you're going, the road you take doesn't really matter.

I made this point to emphasize the importance of having clarity and confidence in our destination before addressing the technical, economic, and social challenges and opportunities of the energy transition.



2024 has certainly given us more confidence in our electricity sector's destination. Most notably, the signing of the ERA and Climate Bills confirms the need to decarbonize, reform our antiquated, centralized system, and move towards a competitive electricity market. On a granular level, the formation of NTCSA, the release of the SAWEM market code, and national frameworks like Wheeling, Net Billing, and Transmission Development are well underway. Importantly, the government is leading these reforms, strengthened by the Presidential Energy Action Plan and NECOM.

### What should our journey look like?

My first suggestion is to sharpen our focus. The years 2025 and 2026 are critical. If we use this time wisely, we will position ourselves well for implementation by 2030 and beyond, towards 2050. However, if we fail to build strong delivery partnerships and take decisive action, we risk facing another electricity sector crisis by 2028/29.

Investors, developers, and businesses are mobilizing rapidly to seize opportunities, but we face key challenges:

- a) Asustainable and transitioning Eskom.
- b) Asuccessful introduction of the market (SAWEM).
- c) Accelerating dispatchable power (Gas-to-Power and Battery Storage).
- d) Sustainable municipal distribution services (EDI reform).

### Eskom:

We need a sustainable and reliable Eskom as the anchor of our transition. However, Eskom faces revenue losses from lower NERSA tariffs, municipal debt, and increased private sector generation, even as it must continue investing in skills, reliability, and transformation.

### Market Transition (SAWEM):

Our national and corporate balance sheets cannot support the scale of financial securities required for transition investments. Without shifting to SAWEM, financing liquidity will decline, costs will rise, and our investment and growth pipeline will stall.

### Dispatchable Power:

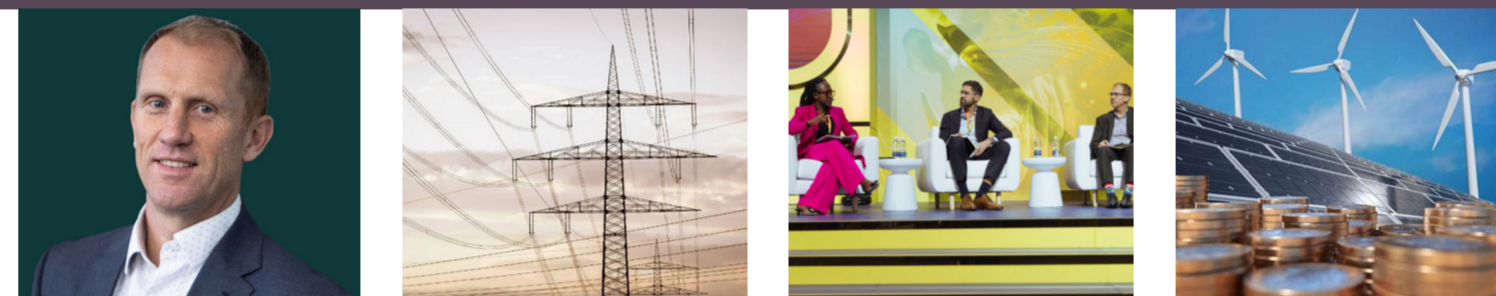
Without the right technology mix, the system operator will struggle to maintain stable system adequacy. Low-flexibility coal doesn't align with variable renewable generation and daily load profiles. This mismatch could result in curtailment or further load shedding.

### EDI Reform:

More than 70% of South Africans rely on municipal distribution services for affordable, reliable, and agile electricity. Reform in this space is essential. 2025 is a critical delivery year for South Africa.

We know what needs to be done, but achieving success requires strong capacity partnerships and bold leadership to stay on the path to a thriving energy sector and economy.

## EC MEMBERS IN THE NEWS



**Energy Council calls for overhaul of public IPP procurement model**

The Energy Council of South Africa has called for an overhaul of the way government procures new electricity generation and storage capacity from independent power producers (IPPs), describing the current model as outdated.

**R2 trillion investment needed in electricity sector**

Energy Council of South Africa says the country needs to invest R2 trillion in the electricity sector over the next decade. CEO of the Energy Council of South Africa, James Mackay was briefing Parliament's Electricity and Energy committee.

**African Energy Week (AEW) Highlights Critical Minerals Role in African Renewables Growth**

Africa must expand its renewable energy manufacturing capabilities and leverage its critical minerals to foster growth in its renewables sector, according to James Mackay, CEO at the Energy Council of South Africa.

**Importance of efficient pricing signals in energy industry underscored**

As South Africa's energy industry transitions to a more competitive, market-based power system, the need for efficient pricing signals was expressed during industry organisation the Energy Intensive Users Group of South Africa's inaugural convention, co-located with the C&I Solar+ Storage Summit, held this week in Sandton.



## Update on the World Energy Council South Africa Member Committee

The Energy Council of South Africa became the official World Energy Council ("WEC") South Africa Member Committee in January 2024. The World Energy Council is an UN-accredited not-for-profit global energy organisation established in 1923 with a presence in over 100 countries and over 3000-member sub-committees.

The WEC strives to support a global energy transition that balances the energy trilemma of energy security, sustainability, and equality.

Each year, the World Energy Council gathers perspectives from a diverse range of policymakers, business leaders, and experts from the energy sector and beyond to monitor issues influencing the pace and scale of energy transitions.

The World Energy Issues Monitor provides critical insights into Action Priorities – areas where countries and companies are actively advancing their energy transition efforts – and Critical Uncertainties – issues that require leadership attention.

### Why Your Participation Matters

The 2025 World Energy Issues Monitor captures the complexity of energy transitions and emphasizes the need for diverse perspectives and solutions to drive meaningful action. Your input will illuminate the varied priorities and challenges across regions and demographics, fostering essential dialogues for tailored collaboration and action.

**Important Dates: The survey will close on 20 December 2024.**

Please remember to click the 'Submit' button at the end of the questionnaire to validate your responses.

You can access the World Issues Monitor Survey on the following link or scan the QR code - <https://www.surveymonkey.com/r/WEM25>

GLOBAL ENERGY TRANSITIONS

**WORLD ENERGY COUNCIL**

## Your Voice, Your Impact

Be part of shaping the global energy dialogue. Add your perspective to the **World Energy Issues Survey** and help define the critical priorities driving energy transitions worldwide.

**Survey Open:** 25 November – 20 December 2024  
**Take the Survey Now**

Your insights matter – help us make a difference!

[Scan the QR Code to Begin]

WORLD ENERGY ISSUES MONITOR 2025 | HELD MANAGING ENERGY

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