The Energy Council of South Africa is dedicated to fostering collaboration, innovation, and action in the energy sector. Through delivery partnerships, advocacy, and thought leadership, the Council is committed to advancing South Africa's energy transition and ensuring a secure, sustainable energy future for all.

The legal separation and independent establishment of the TSO, including transfer of transmission assets is strongly supported as a key step within the broader reform agenda.
The critical issue is the timing, readiness and risks of implementation. We are facing a critical period of our transition when system complexity is high, system affordability is strained and numerous other transition steps are still underway. Increasing demands on already stretched state resources and the national fiscus must be carefully managed.

The Electricity Regulation Amendment Act (ERAA) provides the legislative framework for the transition to a restructured and reformed electricity sector in South Africa, including a defined fiveyear transition period to 2030 for implementation. But, while the ERAA establishes the reform pathway, it does not address implementation sequencing, system readiness, capacity and resourcing or the management of associated risks to system stability and cost.

Reform progress under the Energy Action Plan has been successful with strong progress in several areas:

- System stability and the end to loadshedding is being maintained, but over-supply is a growing challenge and cost.
- Investment in new generation continues to accelerate, but required system flexibility in the form of Gas to Power and Battery Storage is well behind targets.
- Regulatory approval of the Wholesale Market license as well as licensing of 16 private sector Traders in preparation for the Market launch in 2027, but fixed cost non-recovery by Eskom and market risk remains a challenge.
- Continued progress of numerous Transition Rules and the Market Code will be finalized in 2026, including Grid Allocation, Wheeling and Trader Rules. This will strengthen governance and independence, but capacitation of regulatory oversight is urgently needed.
- DEE has released a phased SAWEM roadmap and supporting risk assessment process, which is ongoing through 2027. Launch of the first phase of Independent Transmission Project (ITP) procurement has been issued to the market.
- Embedding of reform steps within the revised DEE Annual Performance Plan (APP) has been submitted to Parliament and the Minister announced strengthened governance and planning measures in the 2026 budget vote speech included the restructuring of the DEE, strengthening system modeling and risk assessments through the IRP process, strengthened oversight and reporting of SOEs, and the development of a 20year national programme for sustainable coal retirement.
- Transition elements that however remain significant threats are the continued low economic and demand growth, certainty on the retirement of coal generation, and then escalating Municipal failures and particularly escalating Eskom debt.

Despite positive reform momentum to date, the reform complexity and pace of change is a significant challenge. Properly capacitated and fit-for-purpose state institutions is an urgent matter, which needs to be addressed more formally and with clear targets.

The reform agenda must respond to multiple structural cost pressures.

The transition is inherently complex and success is not only determined by technical and regulatory design elements but also critically by well capacitated institutions, specifically NERSA as well as the new functions under the planned TSO i.e. the Network Operator, System Operator, Market Operator and Central Purchasing Agency.

While the system will have to carry the cost of stranded assets as new generation continues to grow, but this catn be bourne by consumers alone. Private sector industry growth has created strong competition, and Eskom has now formally launched Eskom Green in order to contribute to this growing competitive landscape. Eskom Distribution and Municipal Distributors are however different and wont be liberalised in the foreseeable future and will need significant capacitation and fiscal support, as will the regulator, NERSA.

No economy has delivered a successful energy transition without demand growth and fiscal subsidies. South Africa lacks both of these, exacerbating the macro-conditions and pressure on reform implementation.

While the reforms themselves are strongly supported, timing and economic conditions do have relevance. Reform steps should not be seen in isolation but should be holistically factored into the electricity system contribution to economic growth and job creation.

Mulilo reached financial close on Hartebeesfontein BESS.

Mulilo reached financial close on the 77 MW Hartebeesfontein battery storage project, its fifth project to close in 2026, with 308 MWh of storage capacity and a 15-year PPA to supply ancillary services to the NTCSA. Financing came from fellow Energy Council members Absa, Standard Bank, and Nedbank.

Read more

Impofu Wind Cluster reaches full commercial operation.

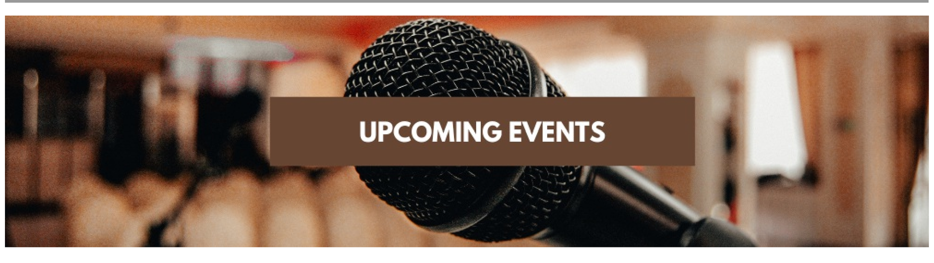
The 330 MW Impofu Wind Cluster, comprising three 110 MW wind farms reached full commercial operation in June, with Impofu West being the last to come online. The cluster is underpinned by long-term power purchase agreements with Energy Council members Sasol and Air Liquide.

Read more

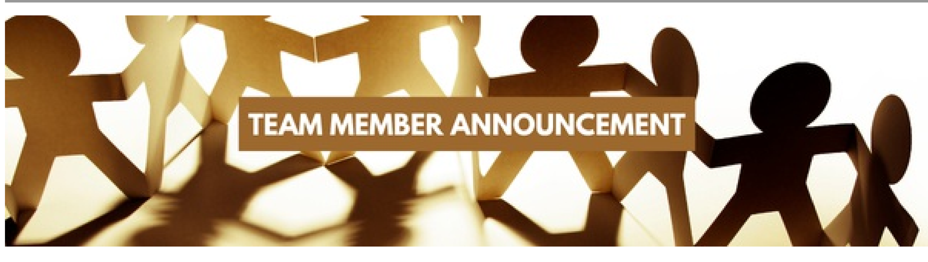
Eskom launches renewable energy business to supply green power to heavy industry.

As part of Eskom's broader unbundling strategy, Eskom Green is expected to become a wholly owned subsidiary, subject to the necessary approvals. The business has identified 17 priority projects across existing power station sites, targeting approximately 6 GW of additional capacity by 2030, including at least 2 GW of renewable energy and pumped storage.

Read more



14 - 15 July: Manufacturing Indaba
21 July: World Energy Tour: South Africa Feature
21 July: Global Grid Expansion Dialogue Series Season 2
22 July: Coal & Energy Transition Day



The Energy Council Team is growing

We are delighted to welcome Koena to the Energy Council team as Senior Associate: PMO & Regulatory. Koena brings solid experience navigating South Africa's evolving energy landscape. In his new role, he will support the Council's programme management and regulatory workstreams at what is arguably the most consequential reform period our sector has seen. We are glad to have him on board and look forward to the energy and perspective he brings to the team.

Please join us in welcoming Koena.

Have something exciting to share? We're always looking to spotlight member achievements, projects and perspectives shaping South Africa's energy future. Send your articles, updates, or stories to Nikita Sadomba at nikita.sadomba@energycouncil.org.za for inclusion in our next edition.