TUESDAY, 12 MAY 2026

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PROCEEDINGS OF MINI-PLENARY SESSION OF THE NATIONAL ASSEMBY

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Members of the mini-plenary session met on the virtual platform at 16:44.

House Chairperson, Mr C T Frolick, took the Chair and requested members to observe a moment of silence for prayer or meditation.

ANNOUNCEMENT

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, before we proceed, I would like to remind you that this virtual mini-plenary is deemed to be in the precincts of Parliament and thus constitutes the meeting of the National Assembly for debating purposes only. In addition to the Rules of Virtual Sittings, the Rules of the National Assembly, including the Rules of Debate, will apply. Members enjoy the same powers and privileges that apply in the sitting of the National Assembly. Members should equally vote that anything that is said in the

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virtual platform is deemed to have been said to the House and may be ruled upon.

All members who have locked in shall be considered to have bene present and are requested to mute their microphones and only unmute when requested to speak. This is because the microphones are very sensitive and will pick up noise which may disturb the attention of the other members. When recognised to speak, please unmute your microphone and turn on your video. Members may make use of the icons on the bar at the bottom of their screens, which has an option that allows a member to put up his or her hand to raise a point of order. The Secretariat will assist me in this regard.

When using the virtual platform, members are urged to refrain or desist from unnecessary points of order or interjections. We shall now proceed with the order, which is debate on Vote No 10, Electricity and Energy Appropriation Bill. I now wish to recognise the hon Minister of Electricity and Energy. The hon Minister. Is the hon Minister of Electricity and Energy on the platform?

APPROPRIATION BILL

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Debate on Vote No 10 – Electricity and Energy:

The MINISTER OF ELECTRICITY AND ENERGY: Can you hear me?

The HOUSE CHAIRPERSON (Mr C T Frolick): I can hear you now, hon Minister, and your sound is very low. Please proceed, hon Minister.

The MINISTER OF ELECTRICITY AND ENERGY: House Chair, hon members and fellow South Africans, on 10 May 1994, standing at the Union Buildings, President Nelson Mandela reminded us that, I quote: "Our daily deeds as ordinary South Africans must produce an actual South African reality". Those words remain a test of public duty. They remind us that the promise of democracy is not carried only by our Constitution, plans, or speeches. It must be made visible in the daily life of a household that can switch on the lights, a learner who can study at night, a clinic that can refrigerate, medicine safely, a business that can produce without interruption, and a community that experiences energy, not as a privilege, but as a foundation for dignity and development.

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This Budget Vote, therefore, is not simply an account of expenditure, it is a statement of execution. It is about how the department will convert planning into delivery, stability into security, and public investments into the confidence required to unlock the next wave of energy infrastructure investments. In a few days, on 18 May 2026, Eskom will reach what would ordinarily not be noteworthy, 365 days without loadshedding. However, it is an important milestone, not because it invites celebration for its own sake, but because it gives the country a moment to reflect on the path we have traveled. Today, we are no longer at the point where we were during the most difficult period of the crisis.

The electricity system has regained its stability, Eskom's operational performance has improved, maintenance discipline has strengthened, key generating units have returned, system co-ordination has become sharper, and executive oversight has become more focused. In this Budget Vote, therefore, we present not only a departmental budget, but we also present a delivery programme for the next phase of South Africa's energy journey. This budget is tabled in a world where energy security has become central to economic security, industrial competitiveness, and national resilience. Across the world,

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electricity demand is rising as economies, digitalised industries, electrifications, data centers expand, and countries compete for investment in the new energy economy.

For South Africa, this is not a distant global trend. Reliable and affordable energy is now a condition for growth, employment, regional trade, industrialisation, and inclusive development. It is also a condition for sovereignty, because a country that cannot secure its energy future cannot fully secure its economic future. South Africa occupies a particular position on the continent. We have the largest electricity consumption per capita in Africa, and account for more than a fifth of total electricity demand on the continent. Our energy system is, therefore, not only a domestic asset, but also a regional anchor. At the same time, South Africa remains exposed to global energy market volatility.

We import a significant share of our liquid fuels, we are affected by movements in fuel crisis, shipping costs and global energy supply chains. Our industries are affected when global energy costs rise. This makes energy security a central part of economic security. This is also a moment of opportunity. South Africa can position itself as a gateway for

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Africa's growing data center market. We can strengthen our role in critical mineral value chains; we can build green industrial production capacity; we can use our renewable resources nuclear capability, gas infrastructure, transmission system and industrial base to shape a more competitive economy. The allocation before this House is just above R6 billion for the 2026-27 financial year. On its own, this allocation is not the full measure of the department's economic impact.

The department does not carry the full capital cost of the energy transitions on its balance sheet. Its budget is structured to perform a catalytic role. It also provides the policy authority, programme co-ordination, transfers, oversight, regulation, project preparation, and institutional capability required to unlock a much larger investment programme. In practical terms, Vote No 10 is a lever to facilitate the estimated R2,2 trillion in energy infrastructure investment pipelines required across the sector. That investment pipeline is entered into the Integrated Resource Plan, IRP, the Transmission Development Plan, TDP, universal access requirement, distribution

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recovery, firm capacity storage, gas, nuclear, green hydrogen and energy-linked industrialisation.

In practical terms, the department will focus on five priority areas in the year ahead, namely, risk-adjusted energy planning through the Integrated Resource Plan, IRP, Gas Master Plan, GMP, and Integrated Energy Plan, IEP, accelerated grid expansion and transmission unlock, a sequenced SA Wholesale Electricity Market, SAWEM, implementation roadmap, firm capacity acceleration, including coal fleet planning, gas, storage, nuclear and finalisation of electricity pricing and distribution sector transformation to strengthen affordability, social protection, and municipal service delivery. These priorities form the core execution agenda for the 2026-27 financial year, ensuring that energy transformation is sequenced, investment is unlocked, system risk is reduced and reliable energy access is extended to all South Africans.

The year ahead must be a year of executing discipline. The department will finalise its fit-for-purpose organisational structure, fill critical posts, incrementally strengthen digital systems and improve internal co-ordination across the

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department and its entities. The department will also strengthen the Strategic Program Management Office, SPMO, as a control tower for effective delivery. The IRP 25 will be treated as a living system instrument. It provides the baseline for planning, but the department will now test that baseline against actual conditions. We will test demand trends, supply delays, transmission readiness, Eskom fleet performance, storage requirement, gas availability, coal fleet decision, affordability and fiscal conditions.

South Africa cannot plan its energy future on assumptions that are not tested against reality. We must know not only what capacity is required, but when is it required; where should it be, where should it be connected, what infrastructure must enable it, what financing is needed and what trade-offs must be managed? A responsible energy transition requires honesty about the system we have, the system we need and the path between the two. Coal fleet is aging, environmental obligations are tightening, the timing of retirement, repowering and repurposing has direct implication for system security, electricity prices, workers, community and municipalities.

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The department will, therefore, develop a programming 20-year outlook for coal fleet. This will move the country away from narrow station by station decisions, and it will move towards an Integrated National Framework for coal fleet retirement, repowering, repurposing, minimum emission standards, compliance, cost recovery and community revitalisation. This work will be undertaken with social partners. It will recognise the legitimate concerns of workers, municipalities, local business and communities. It will also ensure that coal fleet decisions are aligned with system adequacy and affordability. The transition must be managed by people and not imposed on people. South Africa must also confront the gas cliff with urgency and clarity. Gas Supply constraints affect industrial users, petrochemicals manufacturing investment decisions and regional energy logistics.

They also affect the ability of the electricity system to access flexible and dispatchable capacity. Gas will be positioned as part of the 2030 firm capacity mix, where it is affordable, bankable and aligned with infrastructure readiness. It will support flexibility, renewable integration and industrial competitiveness alongside pump storage and nuclear power. The department will advance the nuclear

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programme with prudence and discipline. This includes the Nuclear Industrialisation Plan, the implementation of 5,200 megawatt nuclear build programme, the nuclear fuel cycle strategy to support energy sovereignty, Small Modular Reactor, SMR, positioning, including the lifting of the Pebble Bed Modular Reactor, PBMR, out of care maintenance and as the basis to renew its capability.

The development pathway for Multipurpose Research Reactors, MPR, and the necessary section 34 determination process for nuclear energy procurement. The National Nuclear Regulator, NNR, will remain central to public confidence. A credible programme requires a capable and independent safety regulator. It requires transparency, the assurance that people’s property and the environment are protected. That is the standard we will uphold. If there is one infrastructure lesson that now stands above all others, it is this. Without transmission, there is no energy transition at scale. The National Transition Company SA, NTCSA, has already moved important parts of the Transmission Development Plan, TDP, into procurement and execution.

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Significant transmission lines and transformer capacity are the delivery pipelines. Servitudes have been secured for major portions of the build programme. Grid connection capacity is being unlocked for future generations. But the scale of the task requires a new delivery model. The department will secure confidence in grid capacity delivery through an Integrated Transmission Expansion Plan, ITEP. This plan will bring together the TDP, collector grid, self-built models, shared transmission works, system reliance and requirements, and the Integrated Resource Plan, IRP. South Africa is preparing for a more transparent and competitive electricity market.

The SA Wholesale Electricity Market, SAWEM, will introduce clearer price signals, improve dispatch efficiency, allocate balancing responsibilities, more transparency and reduce long-term reliance on the single buyer model. But market transformation must be sequenced with sensitivity. The department will, therefore, finalise and launch a sequence SA Wholesale Electricity Market, SAWEM, implementation roadmap. The roadmap will set out regulatory milestone readiness gates, governance controls, pricing alignment, vesting arrangements, settlement arrangements and the transition toward the Transmission System Operator, TSO. The market will not be

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built on uncertainty. It will be built on rules, oversight, readiness and public interest.

We are transforming the electricity market so that the state can retreat, not that the state should retreat. We are transforming the electricity market so that the state can govern a more complex system with better instruments. The state will, therefore, continue to plan, to regulate and to protect the poor. It will continue to ensure that system security is not compromised, to act to ensure that market design must serve national development objectives. That is the balance we will maintain. Electricity prices matter because they are felt directly in the lives of South Africans. They affect the household budget, the cost of doing business, municipal finances, industrial competitiveness and the legitimacy of the energy sector transformation.

The department is processing the Electricity Pricing Policy, EPP, through to Cabinet, after which it will open public consultation. This process will provide a revised framework for tariff setting, cost reflectivity, wholesale pricing, use of system charges, time of use pricing, subsidy separation, municipal cost of supply enforcement and social protection.

The recovery of the national system must now be carried into communities. A national system can be stable, while a local community remains in darkness because a transformer has failed, a feeder is overloaded, or a municipal network is unable to cope. That is why the distribution sector recovery and reset is now central to our work. The department will finalise and publish the Electricity Distribution Industry, EDI, roadmap. The roadmap will clarify the role of the distribution agency agreements.

The department will also operationalise the Universal Access Programme Management Office to address the 1,6 million household access gap. Universal access must now mean more than connection. It must mean reliable, safe and affordable electricity. We are also moving to ensure that we implement our programme on load reduction. We have seen considerable projects that have been registered in this regard. At the height of the challenge, approximately 971 feeders, affecting about 1,69 million customers, were placed under load reduction. I am happy to announce that, the majority of the provinces, the Eastern Cape, Free State, Northern Cape, Western Cape and parts of the North West, have seen a significant advance in the elimination of load shedding.

The remaining provinces, KwaZulu Natal, Limpopo and Mpumalanga, will see progress before the end of March 2027, and we are confident that we've eliminated load shedding. It is important that we appreciate that we are now moving from plan to execution. President Mandela's words remind us that, "Our daily deeds must produce an actual South African reality". In the energy sector, that reality must be a country where electricity is reliable, where access is universal, where investment is unlocked and where communities are protected. I thank you, hon Chair.

Ms Z KHANYASE: I extend greetings to the House Chair, all hon members and the people of South Africa. This Budget Vote takes place a few weeks before the commencement of Youth Month, where we will be commemorating 50 years of the June 16 uprising. We need to work harder and more efficiently to increase accessibility to opportunities for the youth of South Africa who are educated, skilled, talented and ready to work for the building of their future.

The Department of Electricity and Energy is the backbone of economic growth and job creation in South Africa. This will happen by providing an enabling environment to address the

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dilemma of energy security, energy sustainability and energy affordability. The splitting of the Department of Mineral Resources and Energy in 2024 came at a critical time when the country's national electricity utility experienced low levels of energy availability and elevated levels of unplanned outages.

On 1 April 2025, the Department of Electricity and Energy officially became a standalone department. It focused its efforts on ensuring that the Energy Action Plan was implemented, and today, the country has been without load shedding for more than 241 days. It is worth noting that the department is underfunded. The majority of its budget goes towards the Integrated National Electrification Programme. In order to implement energy security, the budget of the department has to increase.

Over the medium term, the department will focus on electricity reforms, ensuring and extending reliable accessibility to electricity, enhancing energy efficiency, and managing nuclear energy in accordance with international commitments. To do this, the department has been allocated R6,1 billion in the

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2026-27 fiscal year. The budget of the department is split over five programmes.

The first programme is in its administration, which provides strategic leadership, management and support services to the department, with an allocated budget of R281 million for the 2026-27 financial year.

The second programme is Energy Planning and Policy Development, which aims to improve energy security over the medium term by implementing the revised Electricity Regulation Amendment Act, amending the 2008 Electricity Pricing Policy, and amending the GAS Act, operationalising the 2025 Integrated Resource Plan implementation framework, and publishing four energy statistic reports per year. The programme has an allocated budget of R68 million for the 2026-27 financial year.

The Integrated National Electrification Programme, INEP, is energy programmes and projects, which manages all the department’s energy programmes, including the Integrated National Electrification Programme. The programme is allocated R4 billion for the 2026-27 financial year. The Integrated

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National Electrification Programme is important. From 1994, it has provided electricity connections to historically disadvantaged communities to correct the historical injustices of apartheid. Energy poverty must be eradicated, and it should have no place in our transformation project.

The fourth programme is Nuclear Energy Regulation and Management, which manages the regulation of nuclear energy in the country. The programme has been allocated R1,6 billion for the year ahead, totaling R4,5 billion over the medium term. This area is crucial, as the department and its entities have international commitments for regulation. More importantly, the domestic development of nuclear energy for electricity generation is a critical part of the green energy programmes and the just energy transition. It is able to add to the baseload electricity supply like the Koeberg Nuclear Power Station.

Programme 5 is the State-Owned Companies' Support Services, which provides shareholder management of the state-owned companies within the department's portfolio, ensuring their performance. The programme receives R44,5 million in the 2026-27 financial year, increasing to R51,6 million in the 2028-

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2029 financial year. As the department became independent a year ago, it is still in the process of finalising its restructuring and organisational design with completion to be finalised by the end of the 2026-27 financial year.

The restructuring of the department should be completed sooner, as it debilitates the optimal functioning of the department. Energy needs to be transferred to electricity and energy. The important role that the Department of Electricity and Energy plays cannot be understated.

The National Development Plan calls for an integrated energy sector by 2030, promoting economic growth and providing universal electricity access. It emphasises energy security, diversifying energy sources, investing in infrastructure, fostering cleaner coal technologies, diversifying ownership, and implementing demand-side management and pro-poor tariffs. Thus, the role of the department is to ensure an effective integrated energy sector to allow for economic growth and job creation.

The Department will ensure this through effective energy policy and planning, particularly through the effective implementation of the Electricity Regulation Amendment Act, updating the electricity pricing policy, which sets the framework of how our electricity tariffs are calculated and enforced by the National Energy Regulator of South Africa, Nersa; effective implementation of the Integrated Resource Plan 2025 to ensure security of South Africa's electricity supply; the effective implementation of the Transmission Development Plan, which calls for approximately 14 494 kilometers of transmission lines and 210 transformers by 2034; the effective regulation of the nuclear energy sector in preparation for the nuclear renewable programme. Thank you. I support and vote for this budget.

Mr A NCHABELENG: Hon Chairperson, dear Minister, when is the President resigning? He is a constitutional delinquent destroying this country every day, and he stays in the Presidency. Hon members, the GNU failures do not end at the department; they extend across its entities. While we rise to engage critically with the Budget Vote of the department, we acknowledge the importance of this newly established department and its mandate to secure South Africa's energy future. However, we must also confront the serious shortcoming reflected in this budget and its implementation.

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At the outset, this is a department still finding its footing after its establishment in April 2025. Yet, South Africans cannot afford a learning curve when it comes to energy. Energy security is not a theoretical objective; it is a lived reality for millions of people who continue to struggle with affordability, access and reliability.

Hon members, how does the department intend to expand access, modernise infrastructure and drive radical economic transformation while planning on closing down coal-fired power stations and delaying clean coal initiatives? Why is the department walking slow on the procurement of clean nuclear energy?

Chair, Of particular concern is high cost of electricity. The Minister keeps making empty promises while failing to reduce the high cost of electricity. This is deeply troubling, while electricity is expensive. Over 1,6 million households still lack access to electricity. This undermines the constitutional imperative for access to electricity.

Hon Chairperson, the issue is not only about allocation; it is also about execution. The department has consistently

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demonstrated underexpenditure across programs. The third quarter spending stood at only 17,6% with significant delays in electrification projects and procurement of service providers. This reflects deep capacity constraints within the department.

These challenges are compounded by a vacancy rate exceeding 10%, including critical senior positions, such as the director-general and Chief Financial Officer. How can we expect effective governance and delivery when leadership gaps persist at this level?

Furthermore, the department's reliance on hiring ...

Sepedi:

... bagwera ba Tona ...

English:

... as consultants remains alarming. Over 60% of the goods and services budget is spent on consultants, raising serious concerns about institutional capacity and value for money. South Africans deserves a capable state; not one that outsourced its responsibilities at a great cost.

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Sepedi:

Tona, tlogela go hira bagwera ba gago.

English:

Hon members the crisis of electricity affordability must also be addressed. Electricity prices continue to rise placing immense pressure on households and businesses, yet the free basic electricity program reaches only about 20% of its intended beneficiaries, and even then, the allocation is minimal. This is unacceptable in a country striving to reduce poverty and inequality.

Turning to Eskom: While there have been improvements in operational performance, significant risks remain. Eskom achieved only 67% of its key performance targets, while critical indicators such as transmission expansion and smart meter installations have fallen short. At the same time municipalities owe approximately R110 billion in debt to Eskom, threatening the financial stability of the entire electricity sector.

Reduction in state budget is because of Operation Vulindlela benefiting white monopoly capital, WMC. The developmental state is deliberately starved of resources so that the private sector will step in and finance vital programs, such as transmission. The State Transmission Company will become a standalone entity that sucks the vital fluids out of the lungs of Eskom.

Hon Chairperson, the department has identified a staggering R1,8 trillion, finding requirements for South Africa's capital investment over the next decade. However, this budget does very little to outline a credible plan to mobilise such resources without the clear financing strategy from the state, and this ambitions risk remaining aspirational rather than actionable.

Equally concerning is the slow pace of policy reform. Critical frameworks such as the Electricity Pricing Policy, the Gas Master Plan and the gas leave that we are facing in the absence of a regulatory certainty, investment in the energy sector will continue to lag.

Hon members, this budget reflects a department with a right intention but insufficient capacity, coherence and urgency. We cannot afford fragmented policies, delayed implementation and

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underperforming programs in a sector that is central to economic growth and social development.

Therefore, we call on for a renewed focus on three priorities as MK: First, accelerate electrification and energy access by protecting and expanding funding for the Program 3; second, strengthen institutional capacity by filling vacancies and reducing reliance on consultants; and third, prioritise affordability and equity by reforming electricity pricing and expanding free basic electricity to all qualifying households, Minister.

In conclusion, this budget falls short of what is required to address South Africa's energy challenges decisively. It is not enough to maintain the system and we must transform it. We must ensure that everybody's household has access to reliable, affordable and sustainable energy. We reject this vote, and we say vote MK, vote MK, vote MK!

Mr E V BAPTIE: Chair and hon members, the Integrated Resource Plan, IRP, 2025 sets ambitious goals in renewables, nuclear and gas to power totalling 105 gigawatts of new capacity to be added to the grid by 2039. The intention is to shift our

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electricity supply away from coal towards renewables supported by gas and nuclear so that we may achieve the objectives of meeting our net zero decarbonisation commitments by 2050, achieving price stability in an environment that has high infrastructure costs, upgrading and modernising the grid to cope with new generation and supporting industrial growth for economic growth that is necessary to meet our country's employment needs. This new mix of 142 gigawatts of power includes reducing coal's contribution from 60% down to 27% with 24% from wind, 21% from battery, hydro and imports, 18% from solar, 5% from nuclear and 5% from gas and diesel to power.

The investment needed to achieve this ambition is estimated at R2,23 trillion with most of the funding to come from private investors through independent power producers. These plans have serious implications in short, medium and long-term financial planning. How then are the entities within the Department of Energy and Electricity preparing themselves to facilitate and meet the shift that is contemplated in IRP for 2025? My comments will focus specifically on the entities of the National Nuclear Regulator, the National Radioactive Waste

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Disposal Institute, the SA National Energy Development Institute and the National Energy Regulator of SA.

Within the IRP's mix, the role of nuclear to achieve long-term stability implies the production of increased nuclear waste and the National Radioactive Waste Disposal Institute must establish a central interim storage facility capable of dealing with waste from Koeberg's long-term operations, the nuclear new build, the multi-purpose reactor replacement, the small modular reactor development and decommissioning in future. Costs associated with this facility are estimated at R2 billion, but it does not end there. In the long-term, the establishment of a deep geological repository requires a further R16,2 billion investment. This, in turn, requires the establishment of a nuclear radioactive waste management fund.

The institute, however, faces challenges in skills retention and a revenue base that is not keeping up with inflation growth, and these risks suggest that budget cuts to the entity cannot be sustained under the prospect of the IRP's ambitions. The National Nuclear Regulator faces financial constraints with government funding at 17% and the balance coming from authorization fees.

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The decline in the mining sector and Eskom's financial woes pose a risk to that income stream. The entity also faces an increased workload with challenges of skills retention and static state funding. The growing mandate under the IRP implies a greater focus on its skills pipeline and its future viability.

The SA National Energy Development Institute plays a multifaceted role in our energy complex, and this includes finding solutions to our energy challenges through testing and proofing of technologies, managing programs aimed at increasing energy efficiency, and carrying out research to deliver evidence-based advice and data or formulating energy policy. By its nature, the cost of highly specialized equipment and expert human capital comes with a high price tag, and moving research initiatives into commercial readiness faces a difficult to full funding gap. So, with 54% of its required funding in 2026-27 coming from the fiscus, SA National Energy Development Institute, Sanedi,'s reliance on fees, interest, donor funding, and project revenue has increased, but the reforms in the electricity efficiency market and intellectual property management do offer them some hope.

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Sanedi's role in energy planning, however, is indispensable if the IRP 2025 is to mature into the industrial and economic driver that it aims to be. The National Energy Regulator of South Africa's core function is to regulate our electricity, pipe gas, and petroleum pipeline industries.

This it does through licensing operations, tariff setting, compliance monitoring and enforcement, and dispute resolution. This is an onerous task, and in the context of IRP 2025 and the Energy Regulation Amendment Act, it has grown in complexity, diversity, and scale. The question then arises, is National Energy Regulator of South Africa, Nersa, ready to execute on this mandate and to do so whilst protecting consumers from the impact of rampant electricity price increases? The cost-of-living crisis within an economic doldrum has placed unemployment statistics as worst in the world. And this puts Nersa squarely in the hotspot of having to balance many things, like Eskom's historic inefficiencies and debts, the imperative of unbundling the monolith, be a referee in a competitive wholesale electricity market, navigate through local government dysfunction that appears to move relentlessly in the wrong direction, manage good constraints and implement fair access rules. Now to do all

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this, the entity must have the funds to strengthen and expand its human capital. Clean hydrogen and small modular reactors require new skills and new expertise within Nersa.

The recent data input error of R76 billion illustrates just how essential it is that Nersa retains and builds on its capacity in an environment that is charged with legal challenges. Nersa is pivotal in our energy transition and makes a direct impact on the lives of every citizen and business. But has the entity budgeted adequately to address the critical requirement of having much greater capacity in an environment that has shifted so markedly and that is so wrought with complexity? This question is central to Nersa's changed role in the future wholesale energy market and ambitions and the bold objectives of the IRP. [Time expired.]

Mr M N PAULSEN: House Chairperson, the EFF rejects Budget Vote 10 because it fails to provide a decisive response to South Africa's electricity and energy crisis. Instead of strengthening state capacity, expanding access to electricity and securing long-term energy sovereignty, this budget reflects fragmentation, weak planning, policy uncertainty and delayed implementation across the energy sector.

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The Department of Electricity and Energy, despite operating as a standalone department since April 2025, continues to suffer from a vacancy rate of 10,08%. Critical leadership positions, including the director general and chief financial officer, remain vacant. The Minister has also acknowledged that these vacancies negatively affect operational capability. A department tasked with securing the country's energy future cannot function effectively without stable leadership. The failure to fill funded vacancies demonstrates a lack of urgency in responding to the energy crisis confronting South Africa. South Africa requires a developmental state led by engineers, project managers, energy specialists and technical experts capable of driving industrialization. Instead, government continues operating below capacity while communities remain trapped in energy insecurity and hardship.

The department has also failed to finalize strategic documents required for planning. The delay in finalizing the Gas Master Plan reflects weaknesses in policy co-ordination and implementation. South Africa cannot continue operating without a coherent energy strategy while electricity costs continue rising.

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The EFF remains opposed to the fragmentation and privatization of Eskom. Electricity is a public good and a basic need to all that must remain under democratic state control to ensure affordability, accessibility and development. The EFF reiterates its call for a unified state-owned electricity company that consolidates generation, transmission and distribution under one entity capable of ensuring reliable electricity for all South Africans. Fragmentation weakens public control and deepens private influence over infrastructure.

A state electricity economic research institute should be established to report directly to Parliament on energy security and infrastructure planning. Parliament requires oversight to ensure proper planning and accountability. Millions of South Africans continue living without electricity access. A report confirms an electricity access gap affecting approximately 1,6 million households. Even amongst households with access, the current three basic electricity policy remains inadequate. Only 20% of intended beneficiaries currently receive free basic electricity support while the allocation of 50 kilowatt hours remains insufficient for poor households. Electricity is essential for cooking, eating,

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studying and survival. We must therefore expand access by providing free electricity up to 200 kilowatt hours per month to poor households. Meaningful access to electricity is necessary to restore dignity and reduce inequality.

The department's under-expenditure of more than R190 million by the end of 2025 further exposes weaknesses in implementation and planning. Funds allocated for electrification programs remain unspent. Government has attempted to attribute delays to the late appointment of service providers and non-compliance by municipalities. However, these explanations cannot continue excusing weak oversight and ineffective planning. Government's reliance on external consultants must end because it drains public resources. South Africa cannot build a capable state while planning and implementation functions remain outsourced instead of being driven by skilled public servants and engineers.

The growing municipal debt owed to Eskom has become unsustainable. The state should eliminate historical electricity debt and authorize Eskom to directly take over distribution in municipalities unable to manage their

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obligations. Despite targets for new energy capacity, Eskom added zero megawatts of renewable gas and gas capacity during the 2025 financial year. South Africa also faces a funding gap of approximately R1,8 trillion for capital investments over the next decade.

We reject the dependence on independent power producers because it transfers strategic energy generation into private hands while South Africans continue to face rising electricity costs. South Africa must instead strengthen publicly owned generation capacity to secure long-term energy sovereignty. South Africa possesses more than 200 years of coal reserves, which should be leveraged alongside carbon capturing technologies to support industrial development and energy security.

We have raised concerns regarding the lack of accountability mechanisms for funds transferred to entities under Programme Four. Targets for the National Nuclear Regulator remain weak, allowing repeated achievement without provisional accountability. This budget does not present an energy agenda capable of addressing inequality, unemployment, industrial decline, and energy poverty. Instead, it reproduces

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fragmentation, delayed implementation, and policy uncertainty while South Africans continue to suffer the consequences of an unstable electricity system.

The EFF therefore rejects this budget, and we call on all South Africans suffering under the weight of skyrocketing electricity prices, unaffordable transport costs, and high food prices to vote EFF on the 4 November 2026. Thank you very much, House Chairperson. [Time expired.]

Ms N H MHLONGO: Hon Chairperson, the IFP welcomes the department's emphasis on disruption-free electrical service provision for all South Africans. However, we note the underrepresentation of rural communities in its implementation plan. The IFP remains steadfast in advancing the socioeconomic development of South Africa's under-resourced rural communities, whose development continues to be hindered by inadequate access to electricity.

We welcome the department's commitment to qualitatively transforming energy demographics by prioritising women and youth. The IFP has long believed that uplifting this vulnerable demographic is key to an equitable South Africa.

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Involving women and young people in the country's plan to expand electricity access will simultaneously empower vulnerable populations and establish a more evenly distributed energy landscape. The IFP is aligned with the department's idea of an integrated energy sector as outlined in the National Development Plan, NDP. Nuclear sources remain an important part of South Africa's energy landscape and must remain in the mix. We acknowledge that Programme 4, Nuclear Energy Regulation and Management, has been allocated the second largest portion of the department's budget for the fiscal year. The IFP emphasises that these funds must be used effectively and transparently to maintain safe, non-politicised usage of our valuable nuclear resources.

We note with concern that the Clean Energy Sub-Programme budget has decreased significantly over the past year from R431,3 million to R190,5 million, a 55,83% drop with justification yet to be provided. The IFP urges the department to consider the socioeconomic advantages of renewable energy resources. We strongly believe that resources must be allocated to the exploration and development of clean power generation sources, such as hydroelectricity. We stand firm that renewable energy sources like wind turbines must be

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promoted, as they offer a valuable opportunity to provide investment in the generation of power for personal use and for supply into the national grid.

We are pleased to note improvements in Eskom's functioning, as indicated by the 341 consecutive days without load shedding, as of 22 April 2026. Additionally, the six gigawatts of coal power stations in coal severe ... indicates healthy electricity reserve margins. However, Eskom has not yet met all its primary targets. The IFP maintains that transforming Eskom into a public-private partnership would be of national benefit.

Furthermore, we must caution that the improvements mentioned are meaningful only to the extent that they apply to all South Africans. We must ensure that every citizen is able to draw upon these power sources regardless of their socioeconomic status. Electricity is a necessity in today's world. It is needed to power lifesaving machines in clinics, to cook for our children, to study, search for jobs and everything in between.

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The IFP supports the Budget Vote and remains committed to ensuring that rural and the historically marginalised communities are included in our government's plan for equitable access to electricity. I thank you.

Mr E HENDRICKS: Hon Speaker, hon members, on behalf of the PA, I rise today to debate Budget Vote No 10 - Electricity and Energy, a vote that speaks directly to the heartbeat of our economy and the dignity of our people. Energy is not a luxury; it is the foundation of development, growth and opportunity. We must confront the crisis of energy security. Loadshedding has crippled businesses, disrupted education, and eroded public trust.

Budget Vote No 10 must ensure that generation capacity is stabilised, diversified, and expanded to meet the needs of our people. We must accelerate the transition to renewable energy. South Africa is blessed with abundant sun and wind. By investing in clean energy, we reduce dependence on coal, cut emissions, and create industry and jobs. Energy access must be prioritised. Millions in rural areas and township communities still lack reliable electricity. Budget Vote No 10 must deliver inclusive electrification, ensuring that no household

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is left behind in the energy transition. Electricity and energy are the backbone of inclusive growth. Without reliable power, there can be no industrialisation, no digital transformation, and no social progress. Budget Vote No 10 is not just about a budget; it's about securing the future of South Africa.

Let us commit to an energy system that is secure, sustainable, and inclusive for the prosperity of our people and the strengthening of our nation. A South Africa that powers every home, fuels every business, and embraces renewable energy is a South Africa that is secure in its future. With that said, Chair, we support Budget Vote No 10. And I thank you.

Dr W J BOSHOFF: Hon Chair, I just had a quick fright about my speech which might never see the light of day. This department is actually a very crucial department. One could even say it is more important to have a good Minister of Electricity and Energy than to have a good President because the country would go on without quite a few departments but not without electricity. Even today, with the war going on in the Persian Gulf, it emphasises the central part which is even becoming more central because we can generate our own electricity while

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we cannot make our own crude oil. We are much more dependent when we use petroleum resources than with electricity.

Now, this department has oversight over its own programmes which is very important. But also, over the very important institutions like Eskom, where the profit of the company, which is projected for this year and indicated in the estimate of national expenditure is about R21 billion compared to this whole department’s budget of some R6 billion. So that makes quite a big difference. It is actually the department is like the dwarf controlling the giant. It is very important to have all the systems in place and to do so.

What is also important is to realise that electricity is not just a social good to be distributed to people to have a dignified life. It is also the lifeblood of industrialisation and the re-industrialisation of South Africa is impossible without the availability and the affordability of electricity and that is where the problem lies. Now we do not have load shedding and we have sufficient electricity for the economy because the economy is not growing because we have such an anaemic economy which does not require much electricity. This is because smelters which provided a lot of jobs but also

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required a lot of power shut down and they do not use that power again. This means that we, as normal consumers, have it available but ever less of us have a job. That is a very big problem.

Now, the nuclear programme is one of the, shall one say, things that gives one hope that things are improving. A problem with that is, of course, a bit more than 10 years ago, the Pebble Bed Modular Reactor, PBMR, was messed up by this very ANC-led government. And now it is recognised as one of the saviours, the possible saviours of the South African economy and of power generation. Well, let us not be unthankful for good insights, even if they are a decade late.

There is one more thing that is actually a big problem and that is that the tariffs which Eskom proposes for solar rooftops is devised to be a punishment to people who generate their own electricity from their roofs. And I is possible to follow the argument. Eskom must produce or has to deliver the electricity during peak hours when the sun does not shine and therefore it has to have that capacity which is very expensive. But should it not be better for Eskom or whoever to incentivise people to invest in their own home storage as well as in their own solar top generation? Rather incentivise the bridging of those peak hours than punishing the people who have already saved Eskom from the disgrace of not being able to produce the power. I thank you.

Mr A D BEESLEY: Hon Chairperson, Action SA will support Budget Vote 10 because South Africans have at long last experienced a measure of relief from the devastating era of relentless load shedding. For 362 days, as of today, South Africa has not experienced load shedding. This matters. It matters to the small business owner who can finally keep the doors open. It matters to factories trying to maintain production lines. It matters to households that have endured years of uncertainty, damaged appliances, lost income and rising frustration. Credit must therefore be given where progress has been made. Eskom’s operational performance is improving.

The utility achieved an energy availability factor of 65,16% which is an improvement on previous years. But Chairperson, we cannot confuse improvement with success. Eskom itself has set a target of 70% and has still fallen short of that benchmark. South Africans know this all too well because the electricity system remains fragile. One or two major breakdowns can still

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push the country backwards. The reality is that South Africa's energy crisis has not been solved. It has merely become less severe. Action SA therefore supports this budget, not because the work is complete but because the work remains urgent.

Chairperson, there is another crisis that receives far less attention than load shedding itself, the unbearable cost of electricity. Even when the lights stay on, millions of South Africans increasingly cannot afford to switch them on. Electricity tariffs continue to rise far above inflation, strangling households already battling rising food prices, transport costs and unemployment. Small business manufacturers, restaurants, and entrepreneurs are also being crushed by escalating electricity costs that make economic growth and job creation far more difficult. South Africa cannot industrialise while electricity remains unaffordable. We cannot speak of inclusive economic growth while poor households are forced to choose between electricity and food. That is why Action SA believes government must urgently prioritise electricity pricing reform.

Chairperson, Action SA also welcomes a continued focus on expanding electricity access through the Integrated National

Electricity Programme. Yet the committee heard that approximately 1,6 million households still require electricity to access. This is a reminder that energy poverty remains a daily reality for many South Africans, especially in rural and underserved communities. Action SA further believes South Africa’s energy future must be diversified and modernised, expanding transmission infrastructure, enabling private generation, investing in gas, renewable battery storage and ensuring a stable regulatory environment. These are all essential if we are to secure long-term energy security and lower costs over time.

Chairperson, reliable electricity is not a luxury to you. It is a foundation of economic growth, investment, dignity, and job creation. South Africans are tired of crisis management. They want long-term, stable, affordable electricity and an energy system capable of powering economic growth. Action SA will support this budget because progress must continue but we will continue holding government accountable until electricity in South Africa is not only reliable but also affordable. I thank you, Chair.

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The DEPUTY MINISTER OF ELECTRICITY AND ENERGY: House Chairperson, energy policy only matters if it improves the daily lives of South Africans. It matters to the family trying to keep the lights on at the end of the month. It matters to the municipality struggling to maintain aging infrastructure. It matters to the small business owner trying to keep staff employed while dealing with rising operating costs and unreliable systems. That is why this Budget Vote cannot simply be about programmes, plans, or technical language; it must be about whether the work we are doing translates into practical improvements that people get to experience.

One of the greatest challenges facing our energy sector has been fragmentation. Too often, institutions operate in silos. Municipalities, Eskom, communities, business, agriculture and government structures engage one another only once problems have already escalated.

So, part of our responsibility is therefore not only to implement policy, but also to improve co-ordination, accountability and responsiveness across the system. It is for this reason that we have initiated the piloting of District Energy Councils in four districts.

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These councils bring together municipalities, Eskom, business, agriculture, ratepayer organisations, and other stakeholders into structured platforms focused on co-ordination, problem solving, and energy planning at district level. Importantly, they are designed to ensure that energy matters are integrated into local planning processes, and that stakeholders have direct access to decision makers when challenges arise. This may sound simple, but practical co-ordination matters. ... [Inaudible.] ... that are responsive, collaborative and solutions driven.

If we are serious about long-term energy reform, then we must also confront the realities facing municipal electricity systems across South Africa. Many municipalities are under severe financial and infrastructure pressure. Aging networks, maintenance backlogs, technical and non-technical losses, revenue collection challenges, and infrastructure theft continue to place strain on local electricity distribution systems. Communities experience these failures directly, and that is why work around municipal revenue protection and sustainability remains so important.

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Energy reform cannot succeed if local distribution systems continue to weaken. We must support municipalities to improve governance, strengthen operational capability, modernise systems, and build financially sustainable electricity functions that can support both economic activity and reliability service delivery.

As government we also recognise that the energy transition must improve quality of life, not only infrastructure statistics. This includes the work being done through the Energy Efficiency and Demand Side Management, EEDSM, programme, which continues to support municipalities in reducing electricity consumption, improving efficiency and modernising public infrastructure.

During the 2025-26 financial year, 58 municipalities participated in the Municipal EEDSM programme, supported through grant allocations aimed at accelerating the adoption of energy-efficient technologies and demand-side management measures. In the coming financial year this support will expand to 61 municipalities.

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These interventions include the retrofitting of public lighting, municipal buildings and water infrastructure with more energy efficient technologies, alongside the development of municipal energy management systems and technical support programmes. Importantly, we are also introducing innovative financing approaches to the Energy Savings Performance Contracting model.

This model allows municipalities to leverage private sector investment to implement energy efficiency projects while reducing long-term operational costs. Through a blended finance approach, current programme allocations are expected to unlock additional private investment into municipal energy infrastructure and efficiency improvements.

This is not only about reducing pressure on the grid; it is also about improving municipal sustainability, supporting localisation and technology transfer, creating jobs, and ensuring that municipalities are better equipped to deliver reliable services to communities.

It also includes our growing focus on clean cooking solutions. For millions of people across the African continent, clean

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cooking is not an abstract policy discussion; it is linked directly to health, safety, affordability, environmental sustainability and dignity, particularly for women and children.

As part of South Africa's broader energy access and developmental agenda, we continue to support conversations and partnerships that advance cleaner, safer, and more sustainable household energy solutions.

One of the most important developments in our sector has been the advancement of the South African Renewable Energy Masterplan, or SAREM. The SAREM is not simply an energy document; it is an industrialisation framework. It recognises that South Africa cannot remain only a consumer of renewable energy technologies. We must increasingly become a manufacturer, supplier and participant in the value chains that will shape the future global economy. This is about localisation. It is about industrial capacity. It is about jobs.

Work undertaken together with industry stakeholders has identified approximately 4 000 renewable energy-related

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components with local manufacturing potential. Industry estimates place this potential market at around R60 billion, with significant opportunity for employment creation across upstream and downstream value chains.

We have also been engaging constructively with institutions such as ITAC, National Treasury, the South African Revenue Service, Sars, and organised industry associations on matters relating to localisation and the alignment of trade and industrial policy mechanisms with SAREMS's objectives.

This work is important because policy incoherence can unintentionally undermine localisation efforts. Our objective must therefore be clear. Energy policy, industrial policy and trade policy must work together to support local manufacturing growth, investment certainty, and expanded participation in the renewable energy economy.

The transition underway in the energy sector must also create meaningful opportunities for young South Africans. That is why programmes such as Youth in Energy and Women in Energy remain important components of the department's work. Through partnerships with entities such as the National Youth

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Development Agency, NYDA, and the National Energy Regulator of SA, Nersa, 124 young South Africans are being placed into municipalities and energy-related workstreams to support electricity governance, regulatory compliance, technical administration and workplace experience development.

This work matters because infrastructure alone does not build a capable energy sector; people do. We need artisans, technicians, engineers, project managers, data specialists and entrepreneurs who can participate meaningfully in the evolving energy economy. That is why partnerships with institutions such as Energy and Water Sector Education Training Authority EWSETA, Technical and Vocational Education and Training, TVET colleges, industry stakeholders, and initiatives linked to PowerUP and SAREM remain so important.

In provinces such as the Northern Cape, we are already seeing how renewable energy investment is beginning to reshape local economic opportunities and create demand for new technical skills and industrial capability.

Part of my delegated responsibility also includes oversight of entities and programmes within the department's portfolio.

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This responsibility must always be exercised with seriousness, accountability and a commitment to good governance. Strong institutions remain essential to energy security, investment confidence, public trust and long-term sector stability.

South Africans expect institutions that work. They expect infrastructure that functions. They expect practical delivery, capable governance and opportunities that reach communities. This Budget Vote supports work aimed at building a more co-ordinated, more resilient and more inclusive energy sector. The work ahead remains difficult, and there are no shortcuts. However, through practical reform, stronger co-ordination, localisation, skills development and sustained investment in institutional capability, we are laying the foundation for an energy system that supports growth, creates opportunity, and improves lives. I thank you.

Mr V A NKOSI: Chairperson, Minister, members of the House, and fellow South Africans. I rise today on behalf of the African National Congress to support Budget Vote 10: Department of Electricity and Energy. This budget is more than a set of numbers; it is a declaration of our intent to complete the restoration of energy sovereignty and anchor the inclusive

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industrial renewal of all South Africans. That is what underpins the department's programmes.

IsiZulu:

Bahlonishwa, sihlangana esikhathini esiwujuqu emlandweni wesizwe sakithi. Kwaphela iminyaka abagxeki bethi inkinga yamandla kagesi ngeke ixazululeke. Kodwa namuhla, ngaphansi kokuqaliswa ngenkuthalo koHlelo lokuSebenza kwezaMandla lwe-ANC, sikhombise ukuthi abagxeki, ohlalabegxeka bebangakhulumi into okuyiyona. Amaqiniso ayazikhulumela wona namuhla.

English:

We have now achieved over 350 days without load-shedding. This is not a matter of luck. It is a direct result of commitment to the Generation Operational Recovery Plan, coupled with systematic maintenance, which have seen unplanned outages gradually decline by 50% and a healthy reserve margin established.

For the first time in 17years, Eskom has reported an operating profit with a year-to-date pre-tax profit of R34,9 billion, which is a clear sign of renewal and stabilisation. Eskom now ensures maintenance is paid from its own revenue. Eskom has met 67% of its key performance indicators, KPIs, targets, with notable improvements in the energy availability factor, and a 25% reduction in Open Cycle Gas Turbine, OCGT, fuel cost, saving around R10 billion. We are no longer just managing a crisis; we are ending it.

Complacency has no place in the department and its programmes. We have secured a national supply, and our focus now turns to ending the load reduction, which affects townships and villages. We must ensure that every local network has the capacity and reliability to deliver power to the people without interruption, moving from immediate crisis management to long-term systems transformation. Eskom municipalities must ensure rollout of smart metres and fixed distribution infrastructure. This is a key enabler of locally inclusive economic growth and job creation.

South Africa is entering a period of structural recovery in electricity demand, driven by renewed industrial activity and rapid growth of data centres. To meet this increased demand without load shedding, we are overseeing the procurement of approximately 105 gigawatts of new generation capacity through 2029, as outlined in the Integrated Resource Plan 2025. We are advancing a flexibility-first approach that embraces renewables, gas, coal, and nuclear energy.

We are moving forward with the nuclear industrialisation roadmap and the procurement of 5 200 megawatts nuclear power programmes to ensure stable carbon-free baseload power. ... [Inaudible.] ... gas-to-power infrastructure with a target of 6 000 megawatts of new capacity by 2030, anchored by liquid natural gas import terminals.

We recognise that transmission is currently the binding constraint to our ability to build over 14 500 kilometres of new transmission lines by 2034. Through the first round of independent transmission projects, we are already procuring 1,164 kilometres of new 400 kilovolt, kV, transmission lines to unlock investment in renewable-rich provinces.

At the distribution level, we are assisting municipalities through distribution agency agreements and the rollout of smart metering. This is essential to meeting the rising demand of our industrial hubs and closing the gap between the national supply and the local delivery.

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The ANC believes that the access to electricity is not just a privilege, but a right to dignity, inclusion, and opportunity. The South African households are electrified. This budget commits R3,9 billion this year to the integrated national education programme to reach the remaining 1,6 million households by 2030. Whether through the grid or off the grid renewable solutions, we will ensure that the rural community or township is not left behind.

IsiZulu:

Ukusungulwa kwalo mnyango ozimele kwakuyisinyathelo esasithathwe ngenhloso yokuba nenkinga ... [Akuzwakali.] ... seyiyabonakala njengamanje.

English:

We have established the grid, restored Eskom to the pre-profit of R34,9 billion, and created a road map for universal access. The ANC Energy Action Plan is the foundation of our industrial renewal. This budget provides a fuel power to South Africa’s next generation. I move that the House adopt Budget Vote 10. Thank you, Chair.

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Mr W M THRING: House Chairperson, the ACDP is cognisant that this budget vote of some R6 billion seeks to stabilise supply, accelerate generation capacity, and support energy transition. While these goals are necessary, the ACDP is not convinced that this budget adequately resolves the structural and regulatory constraints that continue to undermine affordability, reliability, and investor confidence.

A central concern of the ACDP is the persistent escalation of electricity tariffs, driven in part by the pricing methodology applied by Eskom and approved by National Energy Regulator of South Africa, NERSA. The continued use of the modern equivalent asset value model inflates the valuation of Eskom's asset base to some R1 trillion, while the real asset value sits at some R400 billion. Thus, enabling higher tariff applications that place undue pressure on households, municipalities, and businesses.

This approach does not reflect the depreciated real condition of much of Eskom's infrastructure, nor does it incentivise efficiency.

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The ACDP positions that this budget also falls short in addressing governance weaknesses and operational efficiencies within Eskom, including plant performance, maintenance backlogs, and financial sustainability. While allocations support new generation initiatives, insufficient emphasis is placed on grid expansion and modernisation, which remain critical bottlenecks for integrating renewable energy.

Moreover, the ACDP believes that there is limited clarity on timelines and measurable outcomes for energy reform programmes, including the unbundling of Eskom, especially the distribution sector, and the strengthening of the transmission entity. Without clear accountability frameworks, these reforms risk further delays.

As kingdom builders, the ACDP recommends the following reforms: First, speedily amend the relevant electricity pricing legislation to require Eskom to adopt the real asset value methodology in tariff applications, ensuring that pricing more accurately reflects the actual depreciated value of infrastructure. This would promote fairness and increase affordability for consumers.

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Secondly, increase investment in grid infrastructure to unlock private-sector generation and support the integration of renewable energy. Thirdly, strengthen oversight and performance management within Eskom, with clear consequences for underperformance. Fourthly, improve transparency in tariff-setting processes and ensure that NERSA applies stricter scrutiny to cost assumptions.

The ACDP advocates that this Budget Vote requires stronger regulatory reform, improved governance, and a more balanced approach to affordability and sustainability to effectively address South Africa’s energy crisis. Thank you, Chair.

Ms C T NONTENJA: House Chair, the UDM believes that South Africans do not experience government policies through speeches, reports or promises. They experience them through the realities of their daily lives. And the reality today is an energy sector in crisis.

Millions continue to face unreliable electricity supply, rising energy costs, collapsing infrastructure, and the effects of years of loadshedding. While the department speaks of progress, communities are still sitting in darkness,

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businesses continue to lose revenue, and hospitals, schools, and households continue to suffer because government has failed to provide stable and reliable energy security.

While the UDM supports the transition to renewable energy and the modernisation of the sector. Plans alone are not enough. South Africans need delivery, accountability, and decisive leadership. While government continues to speak of recovery, millions of South Africans are still living with the consequences of years of energy failure. South Africa's unemployment rate remains extremely high at 31,4%, with approximately 5,8 million young people unemployed. We cannot separate this crisis from failures in the energy sector because when electricity becomes unreliable, businesses close, investment declines, and jobs disappear.

Although Eskom has reported more than 300 consecutive days without national load shedding many rural communities still experience electricity interruptions and load reduction that also includes Johannesburg the biggest metro in Africa is still subjected to daily power outages and in some instances twice a day interruption. This shows that while statistics may

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appear positive on paper, many South Africans still face uncertainty and poor service delivered in their daily lives.

The UDM maintains that the energy crisis has already caused this country jobs, economic growth, investor confidence, and public trust. While we support efforts to modernise the energy sector and expand renewable energy, these plans will mean nothing without urgency, accountability, and proper implementation. Thank you.

Xitsonga:

Tat S M GANA: Mutshamaxitulu na Holobye...

English:

...this past weekend, I travelled home to my village of Lefara in Tzaneen. That visit reminded me of the real lived experience behind this Budget Vote and the constitutional responsibility of this department to ensure access to affordable and reliable electricity for all South Africans. There are two issues that I want to raise today, namely, affordability and reliability.

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Firstly, Minister, electricity is no longer affordable for millions of South Africans. Yes, many homes in villages like Lefara are connected to the grid, but connection without affordability means very little. Electricity has become so expensive that many families can only use it for basic lighting.

During my morning run through the village, I saw many people walking towards the bushes and the mountains carrying axes and pangas to fetch firewood for cooking and eating. Why? Because they simply cannot afford to use electricity for stoves, fridges and other household necessities. It reminded me of the painful days before electrification reached our village. The free basic electricity allocation is no longer enough. It may cover a few lights and perhaps a television, but it does not meet the realities of many family lives.

When electricity prices started escalating, South Africans were told these increases were necessary to fund the construction of Medupi and Kusile power stations. Those power stations have now been completed, yet electricity prices continue to rise year after year. Every year, a new justification is presented while poor households sink deeper

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into energy poverty. At what point do we apply the brakes to these relentless increases, Minister?

Secondly, is the issue of reliability of supply. Earlier this year while debating your ministerial statement to eliminate load reduction, I raised the plight of villages in Tzaneen that continue to suffer from this injustice. Even this past weekend when I was home, many residents complained about the ongoing and load reduction that affects them. And for many, they could not even watch the first half of the Orlando Pirates match that played on Saturday because there was no electricity in their homes. Load reduction has quietly become a permanent feature of life for many poor communities. While bonuses are paid at Eskom, the people of Lefara and many other villages continue to endure unreliable supply and unaffordable electricity prices.

As Rise Mzansi, we want this department to focus decisively on lowering the cost of electricity and eliminating load reduction once and for all.

Xitsonga:

Ndza khensa, Mutshamaxitulu.

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Dr M A MAIMANE: House Chairperson, I want to speak about three areas as they speak to this particular Budget Vote today. Firstly, I want to say to the Minister of Energy and the team at Eskom, congratulations on your persistent work of ensuring that South Africa does not have to suffer load shedding.

Secondly, I want to make is really focused on the future of energy. All of us appreciate the diversification of energy and the plan around that. I do want to say that that future must remain within South Africa's own sovereignty. It cannot be a function of a predetermined outcome at international conferences whilst we appreciate environmental concerns. But the Conference of the Parties, COP, cannot be the only place where our energy policy is determined. This is going to be important that we cannot be hamstrung in building our own domestic infrastructure using localised resources and ensuring that South Africans are energy secure.

Secondly, it is the question which is fundamental to the issue of energy, that is, the question of affordability. Many members on the debate today here have raised this question. I think we cannot fold our arms and allow the determination of energy to keep going up. It will impact our own businesses,

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and it will impact households. What often is tragic for me is when I hear stories of people saying we have to switch ourselves off in order to afford electricity. It is an economic sabotage. As we saw today, the job numbers came out and introduced 300 000 new South Africans to unemployment.

Thirdly, is the issue of load reduction. Minister, here it's a personal matter. I went to visit the family of Reneilwe, a young woman who was brutally raped. When I asked in the streets of Dobsonville what had happened, everyone told me about the fact that she went to that house because that was the only house with alternative energy in the middle of load reduction. It broke my heart. Of course, I understand the complications of rape and crime, and I hope justice is served. But truly, energy is a safety feature.

Therefore, in the light of this particular conversation I spoke to Eskom, and they highlighted the fact that they are facing R330 billion potential debt which municipalities are not dealt with. Let us commit ourselves to fixing the tariffs, ensuring that the future of energy is secure and end load reduction for our citizens at risk and stabilise local municipalities if we are going to deal with the Eskom debt.

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Setswana:

Ke a leboga, Modulasetilo.

Mr K J MILEHAM: House Chairperson, South Africa has gone, merely, a year without load shedding. That is great news. It has brought relief to households, businesses, and an economy battered by years of scheduled darkness. But it is not the end of the electricity crisis. It is not proof that Eskom is fixed. It is not proof that the department is delivering. And it is certainly not proof that South Africans can afford the electricity system this government has built.

The electricity crisis has changed form. It is now measured by unaffordable tariffs, unpaid municipal debt, failing distribution infrastructure, delayed reforms, and a state utility that still cannot stand on its own balance sheet. The lights are on. But the system is still failing. No load shedding is welcome. But no load shedding is not the same as energy security. On reliability, affordability, municipal performance, open markets, investment, and consequences for failure, South Africa is still far from where it needs to be. Let us start with Eskom. Eskom has reported more than 358 days without load shedding, improved generation performance, lower

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diesel expenditure, and a better Energy Availability Factor. Those improvements matter. But they must not hide the deeper crisis. Eskom itself identifies high debt, non-payment, declining sales, grid constraints, an outdated business model, fraud, corruption, and weak internal controls. That is not opposition rhetoric. That is Eskom's own diagnosis. They have improved operationally, but they remain structurally broken.

They are too indebted. Too exposed to municipal non-payment. Too dominant in a market that needs competition. They are too central to a system that can no longer depend on one entity to carry generation, transmission, distribution, debt recovery, reform and grid expansion. Eskom certainly cannot do this. That is why the DA's position is clear. Open the market. Bring in competition. Accelerate transmission. Give municipalities real choice in power procurement. Allow private generation to compete on clear and fair rules. Establish a proper independent transmission system operator. Move the SA Wholesale Electricity Market from concept to implementation.

Stop treating Eskom as if protecting the monopoly is the same thing as protecting the public. It is not. Competition is not anti-Eskom. Competition is pro-consumer, pro-growth and pro-

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reliability. The people who oppose competition are protecting a failed model. That model has already cost this country through load shedding, bailouts, lost jobs, closed businesses, and unaffordable electricity prices. The crisis has moved from the grid to the household budget. A family can have electricity available and still be unable to afford it. A small business can have power available and still be priced out of survival. That is not success. That is a different kind of failure.

Municipal debt now stands at around R110 billion. Every rand not paid by a municipality eventually lands on Eskom, the taxpayer, the tariff, or the honest consumer. The Minister must tell this House what will be done about municipal debt. What will be done about illegal connections and ghost vending, distribution losses, and failed revenue collection? Not another vague turnaround plan. Enforcement. Consequences. A funded distribution recovery plan. Real intervention where municipalities cannot manage electricity. The Department of Electricity and Energy was created to focus on energy security, reform, planning, oversight, and delivery. But creating a department is not the same as building capability. A new letterhead does not generate a single megawatt. A new

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organogram does not build one kilometre of transmission line. A new strategy does not connect one household. The department says it is moving from establishment to execution. Good. Then let's execute. Finalise the Integrated Electricity Plan. Finalise the Gas Master Plan. Finalise the electricity pricing policy. Build transmission. Support municipal reform. Strengthen oversight over Eskom and the department's entities. The Budget Vote shows under-expenditure in critical programmes. The Integrated National Electrification Programme has been affected by slow spending. The departmental programme responsible for state-owned entities has also spent far below projection.

These are symptoms of a department struggling to convert mandate into delivery. The Minister cannot ask Parliament to applaud the intention. This House must measure delivery. And the same thing applies to the SA Nuclear Energy Corporation, Necsa. There is real value in South Africa's nuclear capability. But nuclear policy cannot become a shelter for unfunded ambition. Necsa's plans include front-end fuel supply, radioisotopes, fluorochemicals, small modular reactors, skills development, and the replacement of SAFARI-1.

These are major commitments. They require money, timelines, risk management, and transparency.

But an R80 billion ambition is not a plan. A strategy without a funding model is not a strategy. A nuclear programme without financial discipline is a liability. The DA is not anti-nuclear. We are anti-waste. We are anti-secrecy. We are anti-grand announcements that arrive before the hard work has been done. South Africa has had enough of energy policy by announcements. Enough of plans without execution. Enough of state entities that fail and then ask the public to pay. The lights are on, and that is fantastic. Now stop celebrating and start reforming. Because Eskom is not fixed. Municipal debt is not fixed. The grid is not fixed. Pricing is not fixed, and distribution is not fixed. Thank you, Chairperson. [Time expired.]

Ms F HASSAN: House Chair, the ANC rises in support of Budget Vote 10, and we rise not in the abstract. We rise with the wait of 360 days without load shedding on our shoulders. With 89,8% of South African households now connected to the grid, and with the knowledge that this progress was not gifted to us by the market, it was built deliberately and painstakingly by

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the ANC developmental state with a plan. When this department was established, critics called it symbolic. We called it strategic. A dedicated Ministry for Electricity and Energy meant focused state capacity, singular accountability, and a direct line from the Energy Action Plan to execution.

Allow me to be direct with the House. The ANC has not just managed the energy crisis. We are terminating it. Because ending load shedding is not our endgame. It never was. Ending load shedding is the floor. Our endgame is security of supply, expanded generation, transmission and distribution, to drive inclusive economic growth and create jobs. This budget is the next chapter in that story. And today we will account for what we have built, what remains to be done, and what we must still deliver.

The improved performance of Eskom is not incidental. It is the direct consequence of the ANC's Energy Action Plan developed in the Sixth Parliament and implemented with discipline by this government. The plan's core logic was straightforward: restore generation through sustained, structured maintenance, reduce unplanned shutdowns, return capacity to the grid, and every other reform follows from that foundation. And it has

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worked. Let the record show that unplanned shutdowns have been reduced by 50%. The energy availability factor rose from an all-time low of 48% to above 65% at year's end, reaching 70% on more than 66 days. Eskom's maintenance spend has grown to R28 billion per annum, funded from its own revenue, not the fiscus. Koeberg's lifespan has been extended, reliably contributing 1,860 megawatts to the national grid. Medupi and Kusile are now operating on all six units each, a design capacity of 4,800 megawatts per plant, 360 days without load shedding, a 62,46% reduction in diesel usage, saving South Africans more than R10 billion per annum. The end of load reduction in the North West, Northern and Western Cape, with several more provinces to follow. And critically, Eskom has now reported to Parliament that it has sufficient generation capacity to meet winter demand without increasing reliance on diesel-fired power stations. For a country that has lived through years of winter load shedding, this is no small feat. For the first time in more than a decade, S&P Global has upgraded Eskom's credit rating, citing sustained operational improvement and financial discipline. This is what governance looks like when it is focused. The increased generation capacity is already translating into economic opportunity. The ferrochrome industry, previously crippled by energy

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volatility, is being stabilized through reserve capacity. Stable electricity supply is the precondition for local beneficiation of our minerals, for building value chains, for creating jobs here, rather than exporting raw ore and creating value for South Africa and our fiscus. But we are clear-eyed, Eskom still faces challenges. The R110 billion municipal debt burden, the design flaws, boilers, and mills at Medupi and Kusile, the need to push the Energy Availability Factor, EAF, target to 75% and beyond, and the transmission grid expansion that is essential to bring more Independent Power Producers, IPPs, electricity to market. The ANC calls on Eskom to meet its minimum 80% of its shareholder compact targets in the 2026-27 financial year, and this committee will hold it to account. The endgame is not 360 days. The endgame is sustained generation capacity that can support at least 2% economic growth, reduce unemployment, and produce a new wave of industrialization.

A lights-on South Africa is meaningless if people cannot afford to keep those lights on. We welcome the opposition’s sudden interest in electricity pricing, but we will not take lectures from parties whose municipalities double-bill the working-class households, charging Eskom’s tariffs and adding

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municipal surcharges that have nothing to do with actual supply costs. The electricity pricing review being undertaken by the Minister is the correct approach, and it is one that has been called for by the ANC in this very House. We welcome that their pricing policy is now being served at the Cabinet. And the ANC's position on the substance has been unambiguous. The tariff review must prioritize the following: a revision of the weighted cost of capital formula used by the National Energy Regulator of SA, Nersa. The current model inflates tariffs without benchmarking for public interest. An upward revision of 50 to 200 units of free basic electricity allocation, which no longer now reflects the real energy needs of poor households, the full utilization of the R10 billion of indigent grant, of which only R2 billion is currently reaching the people who need it, that gap must be closed urgently, and the rollout of smart prepaid meters coupled with solar panels and solar water heaters, empowering communities to manage their own energy consumption and reduce costs.

On Nersa, there must be more than just an administrator of tariff applications. It must be a regulator in the public interest with the skills, capacity, and mandate to audit Eskom and municipalities on their regulatory asset base values and

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costs, and to ensure the lowest possible price reaches the end user. The Nersa's own funding model must also be reviewed. A regulator whose finances are declining cannot efficiently fulfill its mandate. And it must be capacitated, not just in regulatory systems, but in the technical and economic skills to audit Eskom and municipalities effectively. Hon Baptie was correct in identifying this. The error in Eskom's regulatory asset base must be resolved. The Nersa's tariff methodology must also be comprehensively reviewed to ensure that it serves the public, not just the utility. Electricity is a constitutional imperative. It is not a revenue stream for municipalities, and it is a level of return that must be a utility rate of return; the ANC will not allow it to become a debt trap for the poor. On the gas cliff, the tabling of the Gas Bill in Parliament is the first and correct step. This legislation is far superior to the previous gas law, and it must supersede it. It is creating, or it could create investor certainty across the full gas value chain, from import facilities to domestic resource development to transmission, distribution, and sale. Regulatory structures must also be set up promptly. and the gas must reach the end user at the cheapest possible price based on the cheapest import alternative, not import parity pricing that simply inflates

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the cost of doing business. We have no domestic gas import infrastructure, no national gas price, and no anchor in terms of industrial customers to deliver economies of scale. And these are not small gaps; they are strategic vulnerabilities. Investment must flow through the gas value chain for the state to lead that facilitation. Competing port options at Maputo, Richards Bay, and Saldanha must be assessed to prevent stranded infrastructure and ensure fiscal prudence.

As I conclude, we listened carefully. The opposition was rather passionate, but passion without a plan or technical solution is not a policy, and slogans do not build power stations. We wish to thank the parties that supported this Budget Vote in the interest of energy security. But the ANC is and has always led from the front. We present solutions to problems, not limitations. The time has come for mature policy conversations, focusing on implementation. Three hundred and sixty days without load shedding. Eskom’s credit rating was upgraded for the first time in a decade. Ten billion rands saved in diesel. The ferrochrome industry stabilized. Winter demand is covered. And these are not promises. These are plans that have been implemented. The ANC supports this budget because we are not here to perform for the opposition. We are

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here to govern, to build, deliver, and make the future bright. I thank you.

The MINISTER OF ELECTRICITY AND ENERGY: Hon Chair, let me thank the members who have committed to support the budget. Supporting the budget means that we are supporting the department's efforts to ensure that we end load reduction. The people of Limpopo in Nkowankowa and many parts of the country can receive uninterrupted electricity going forward. Supporting this budget means that you are supporting our efforts to ensure that the 1,69 million households that do not have access to electricity, those that are affected, like I said, by load reduction, are going to benefit from the democratic dividend.

Supporting this budget means that you are in full support of the efforts that we have announced to ensure that you are able to address the runaway or exponential increase in electricity, that the electricity is not only available but it is also accessible for everyone across the board. Supporting this budget means that you are supporting our industrialisation efforts, that we have reached a stage where there is a structural access in the South African electricity mix. We can redeploy or reallocate that access to ensure that we support industrialisation. The work that we have been doing with the smelters is a case in point.

The opposite is true that, those who stand diametrically opposed to this budget essentially have expressed the sentiment that is inconsistent with what we have set out to be the objectives of this budget. Of course, the public will be able to judge. Let me just go back to some of the points that have been raised. Thank you very much, hon Baptie. You are absolutely correct that one of the areas that requires attention is to ensure that the state-owned enterprises, SOEs, within the energy fraternity are fit for purpose and ensure that we can address some of the funding gaps that are confronting some of the entities.

You make a correct observation that a lot of them are reliant on the fiscus. I mean, SA National Energy Development Institute, Sanedi, as a case in point, has got huge potential to raise revenue on its own to get to a position where they are able to self-finance. Of course, that has to do with the categorisation of Sanedi. It is a conversation that we are taking up with the National Treasury so that that

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classification is readjusted to allow Sanedi to be able to raise its own revenue.

As you know that we are repositioning Sanedi to be the preeminent think tank on the issue of the energy complex in the country. This also includes supporting some of the work that is done by research institutions, academia, so that we have a sense of the complexities in the energy ecosystem. But we are also able to generate the data and evidence to allow us to formulate the positions or policies that are going to advance our ambitions of, amongst others, achieving energy sovereignty and industrialising on the back of that effort.

Of course, hon Crown Prince, I wish I had friends who were consulted to be considered for work in the department. That is not the case. Nothing could be further from the truth. My friends are engineers doing exceptionally well. They do not rely on government tenders. So, I think it is important that we reflect on the truth. Of course, the information can be made available to everyone.

I guess that the common theme that is coming across is the issue of the price of electricity. I do accept the critique

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from the colleagues. I have made the point that we are finalising the electricity pricing policy and it will be coming out for public consultations to allow the public to air their views. I do understand the urgency and the speed that is required.

Again, this department, as we are fixing, we are delivering. We are connecting people to the grid. We are working with Eskom on the Transmission Development Plan, TDP. We are on the financing of that TDP, working to support Eskom to achieve that 70% Energy Availability Factor, EAF, making sure that you address the price of electricity, release the Integrated Resource Plan, IRP. So, the department is working with all its objective and subjective challenges. I think we are on a good path. So, this represents an energy future for the country, and I am more than confident that the department stands ready to deliver. Thank you very much, House Chair.

Debate concluded.

The mini-plenary session rose at 18:30.

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