Energy Tracker:

Fragile gains must give way to a more sustainable recovery

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Key takeaways

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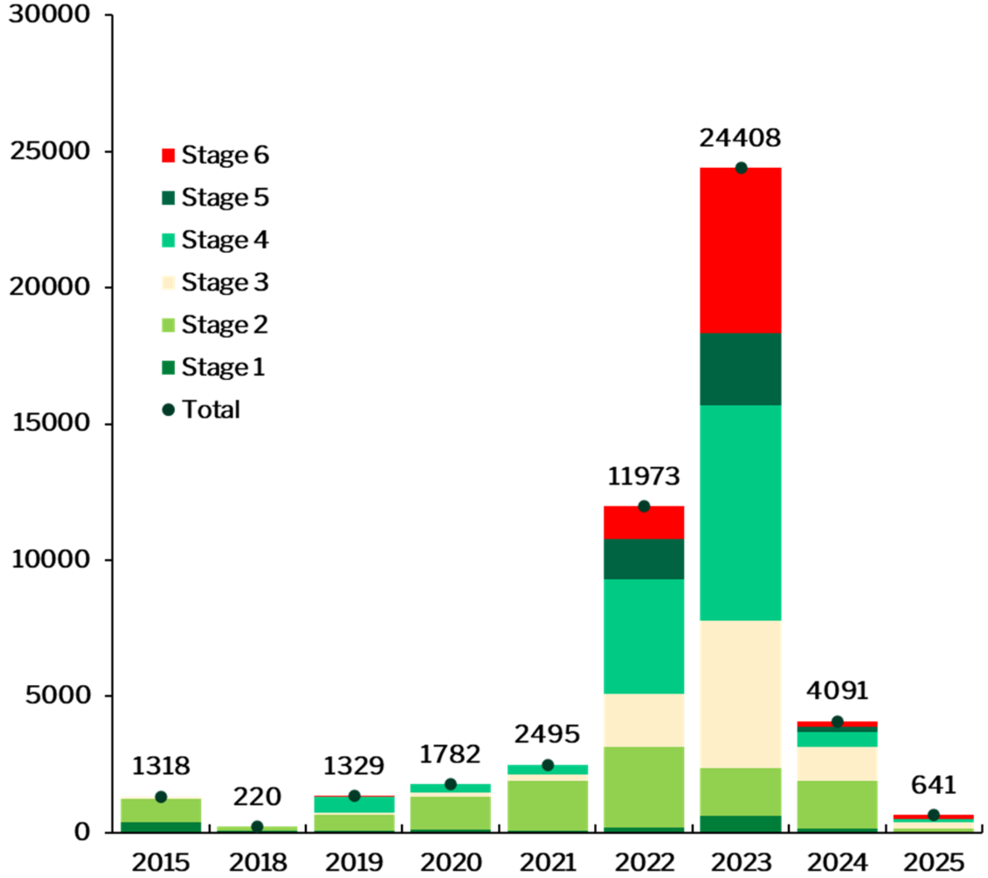
Overview

- Load-shedding returned briefly at the start of 2025 and was less intense than in earlier periods.
- Demand for energy continues to decline, signifying a structural break from reliance on Eskom. Only modest improvements have been made on the supply front.
- Prioritising planned maintenance has improved efficiencies, lifting the average Energy Availability Factor (EAF) to 59% in the first 7 months of 2025.
- Generation capacity is still constrained. A more dramatic shift towards renewable energy (RE) is required to reduce the pressure on the national grid.
- Ongoing energy insecurity is evident in the reliance on the compensatory load and still significant levels of unplanned outages.
- Expediting progress on the plethora of energy plans is required to bring about energy security.

After its last occurrence in March 2024, load-shedding returned in 2025, but at a lower intensity.

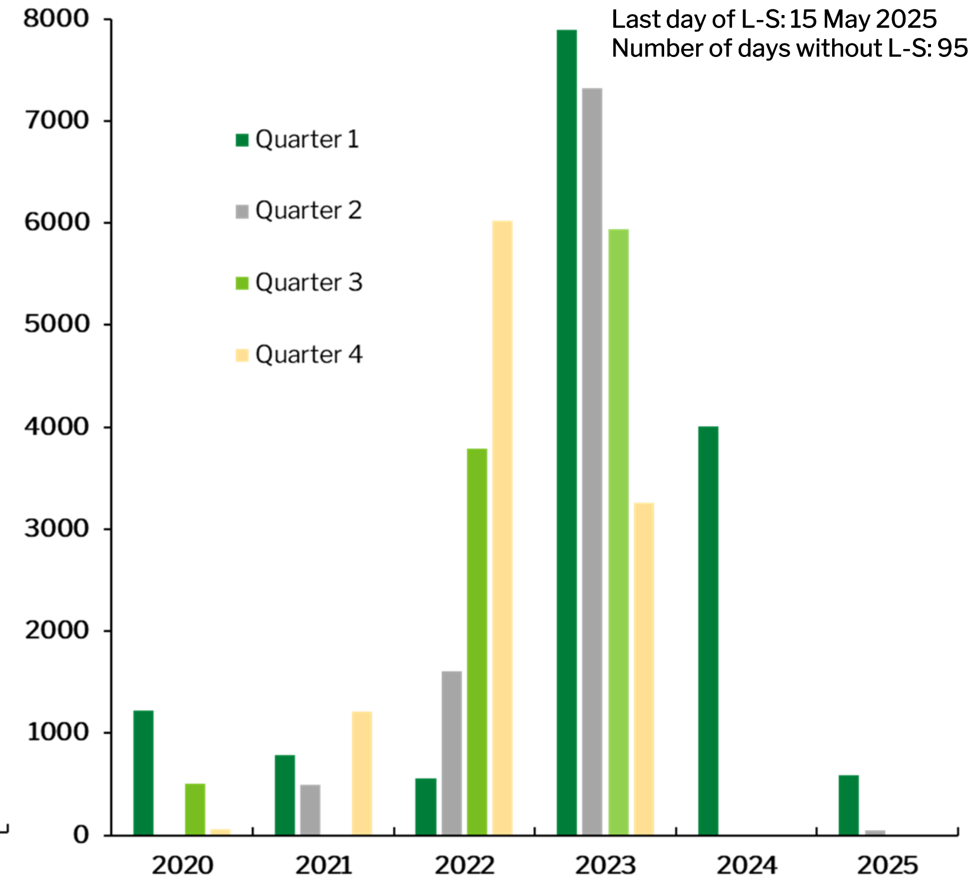
641 GW were shed from the grid between January – July 2025.

Load-shedding: Giga-watts per stage



Load-shedding in Q1 and Q2 was less than in the recent past while Q3 started off on a clean slate.

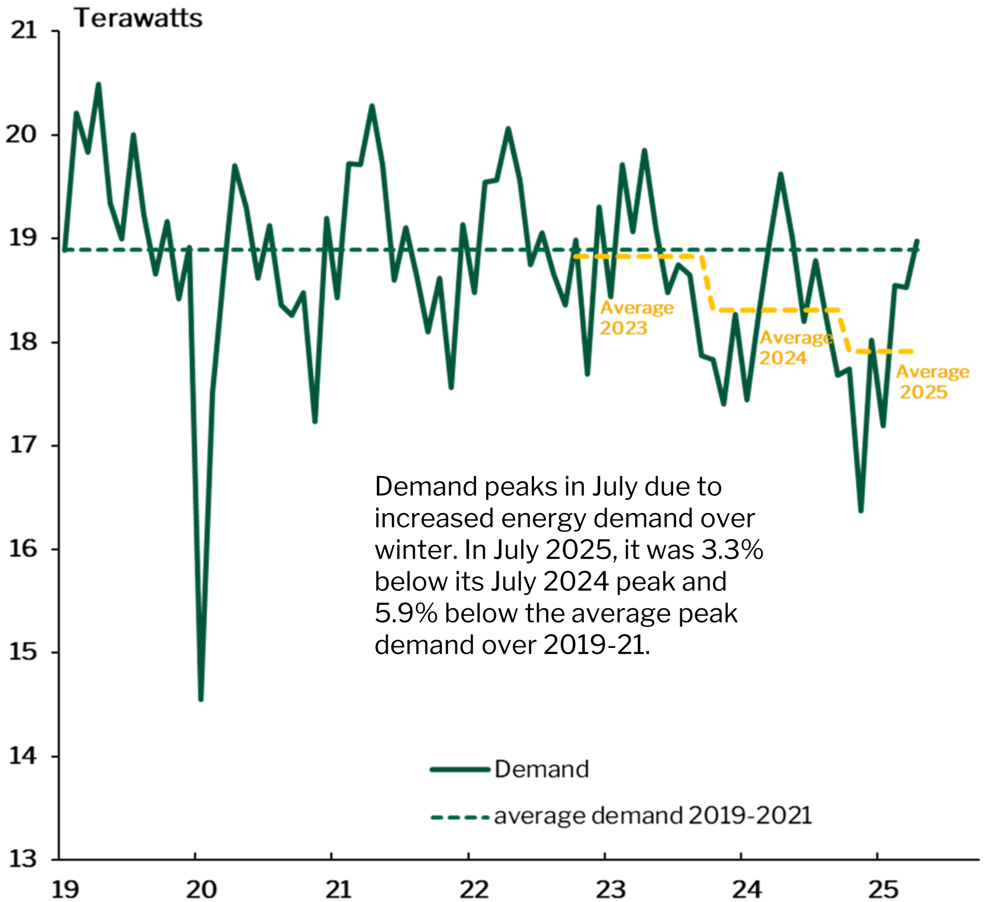
Gigawatts



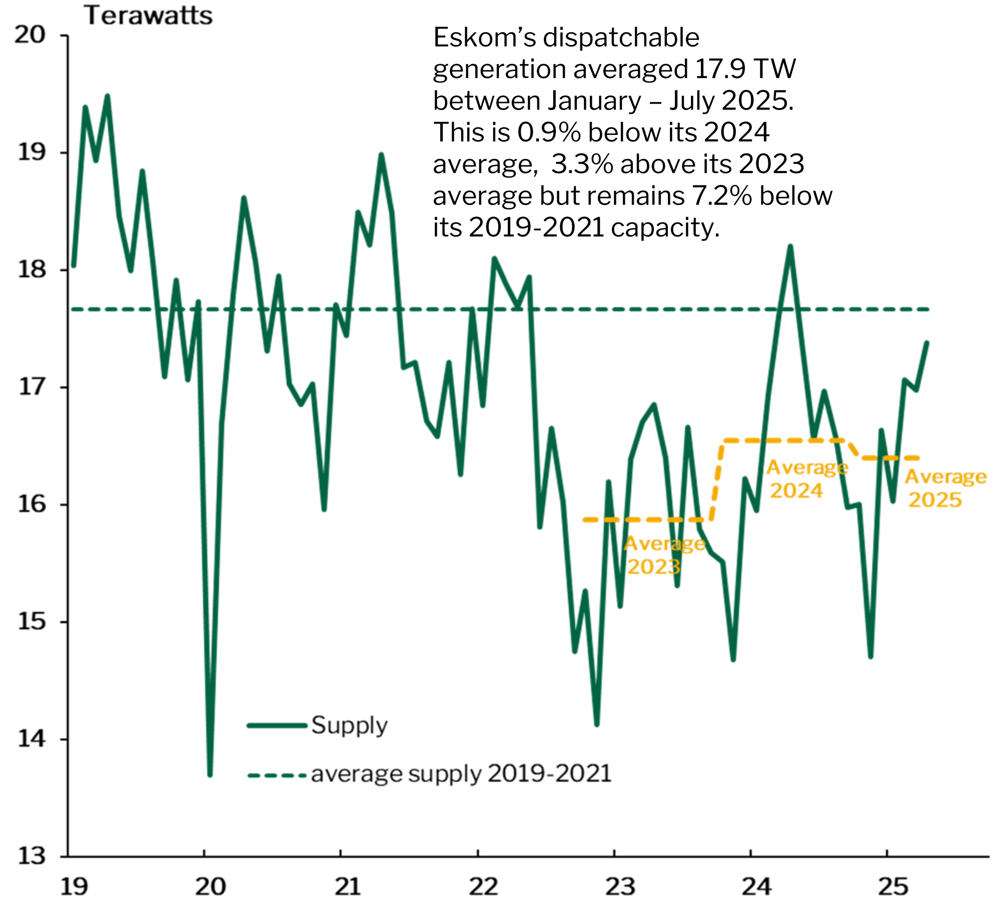
Source: EskomSePush & Nedbank calculations

Improvements were driven by a sustained decline in energy demand and some improvements on the supply front.

Demand for energy has fallen below its 2019-2021 average and has remained there.



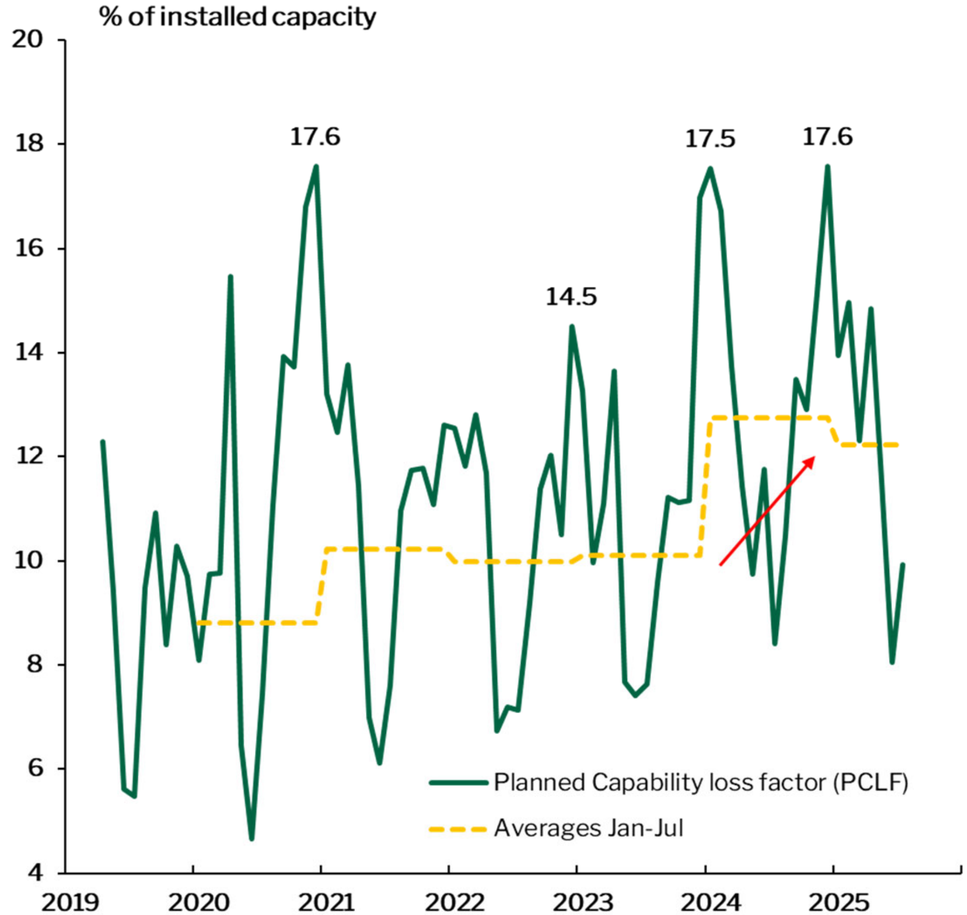
Dispatchable generation increased above its 2023 levels but is still inefficient by its own historical standards.



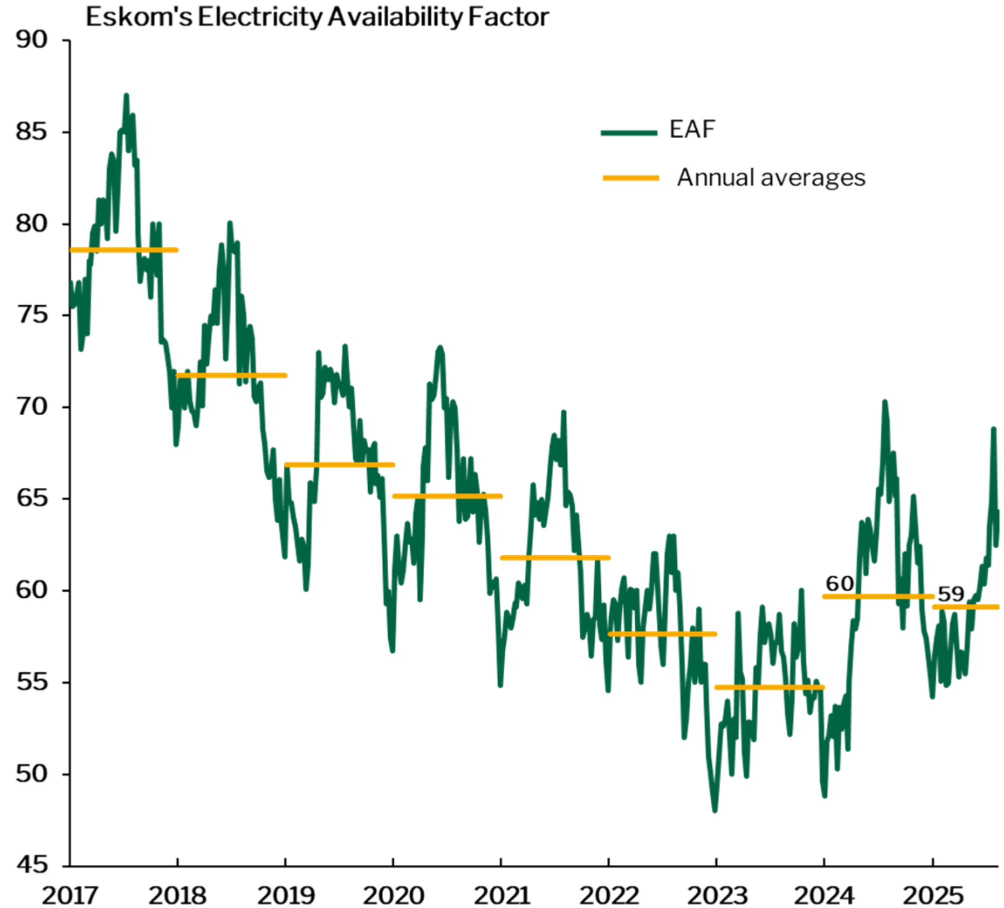
Source: Eskom & Nedbank calculations

Greater emphasis on maintenance explains the uptick on the supply-side.

Planned maintenance has been kept at around 12% of installed capacity on average in the first half of 2025.



Which, arguably improved generative efficiency, Eskom's electricity availability factor (EAF) averaged 59% in the first half.



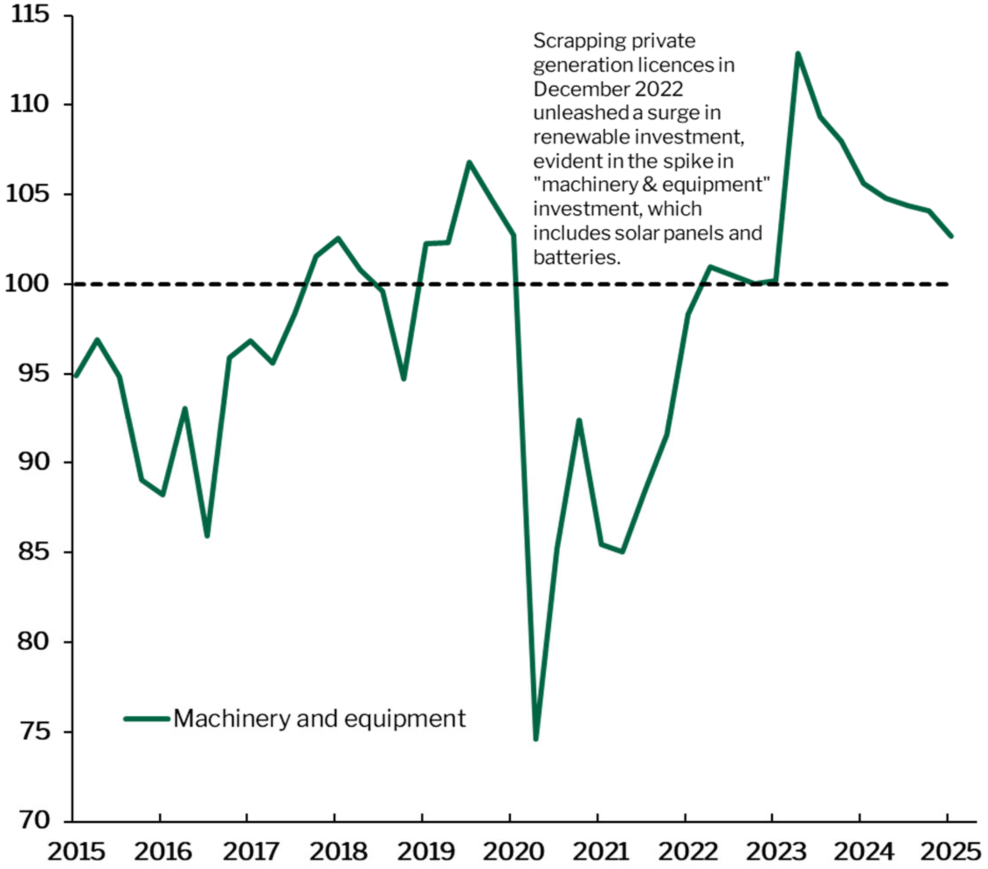
Source: Eskom & Nedbank calculations

The renewable energy shift explains the sustained decline in demand for energy.

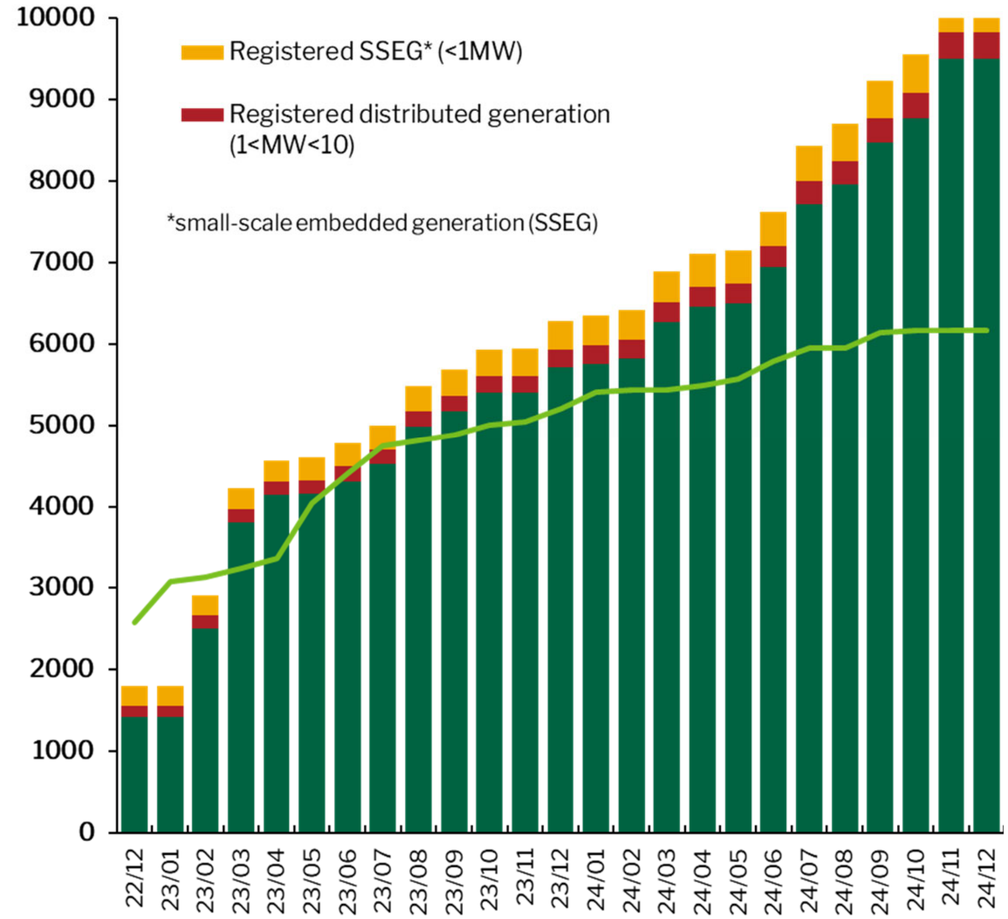
Fixed investment into machinery and equipment (including solar panels, batteries and inverters) although declining, remains above 2022 levels.

SSEG registrations increased by 474% and solar PV installations by 138% between Dec-22 and Dec-24.

Fixed investment by assets: Index 2022=100



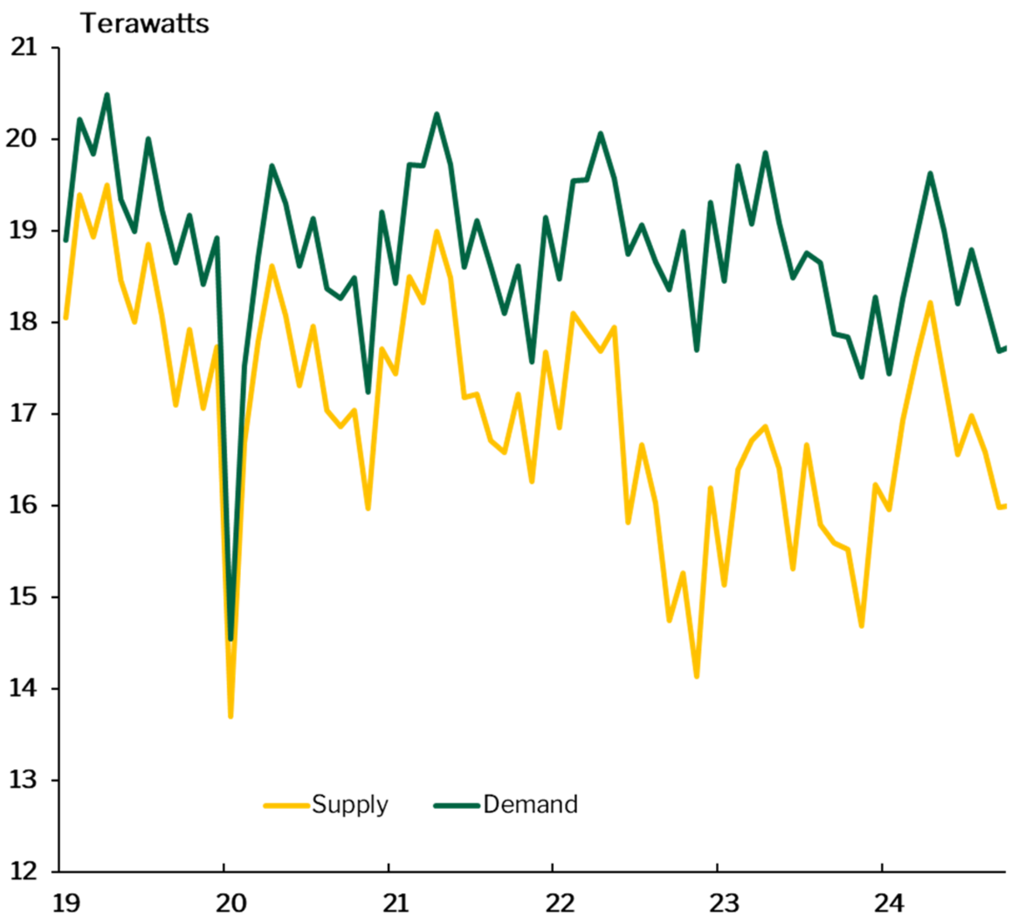
Cumulative capacity registered and rooftop PV installed (Megawatts)



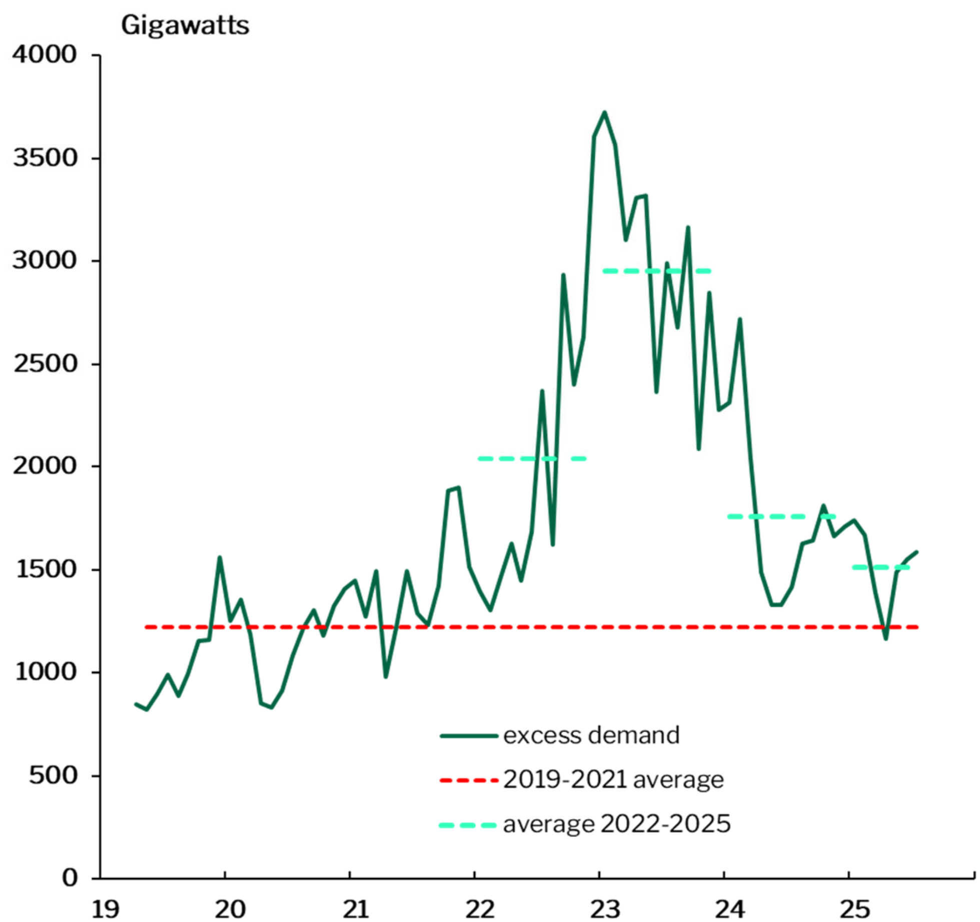
Source: Stats SA & National Treasury

Despite the progress made excess demand over supply remains a pressing concern

Demand remains greater than supply…



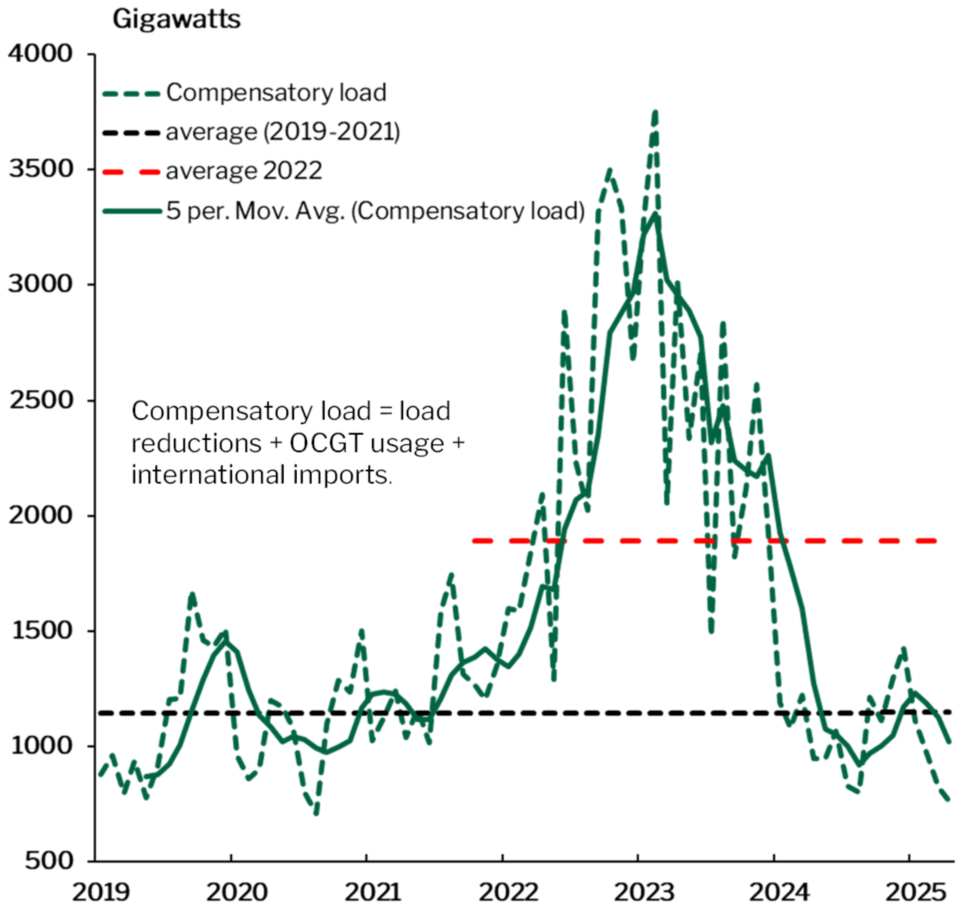
…with excess demand 23.7% above its 2019-2021 average.



Source: Eskom & Nedbank calculations

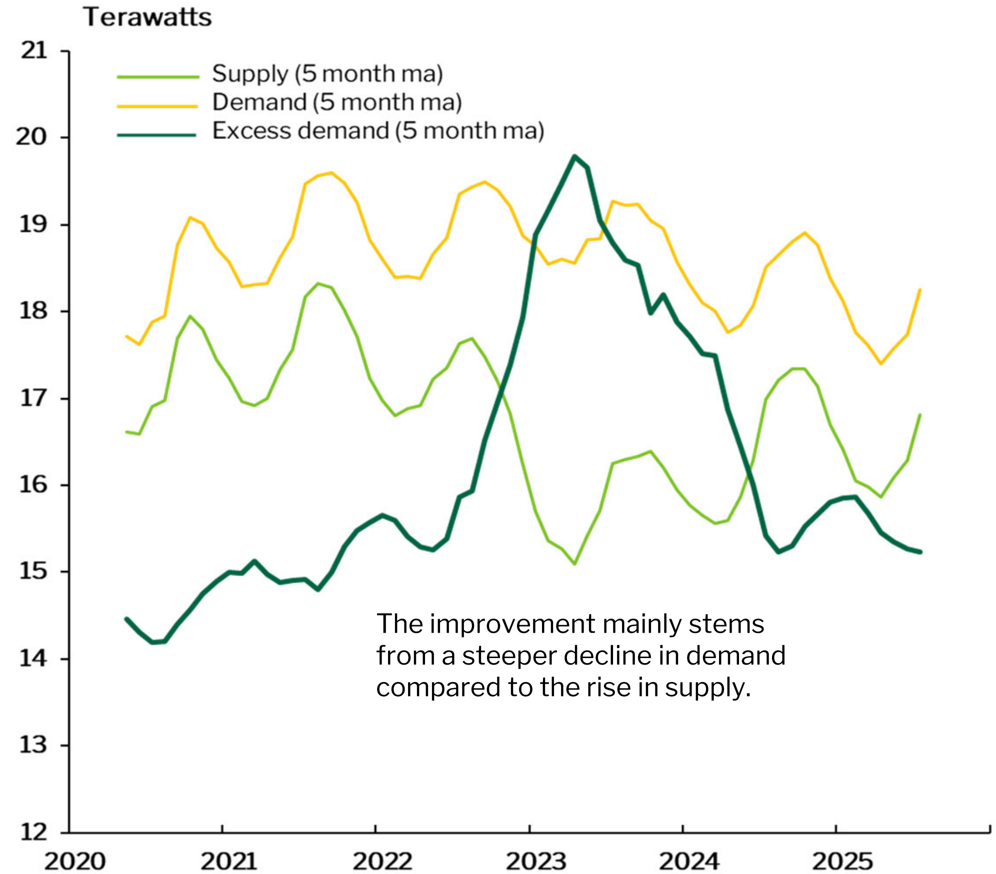
Excess demand is compensated for by load reductions + increased imports + open-cycle gas turbines

There has been a decline in the compensatory load…



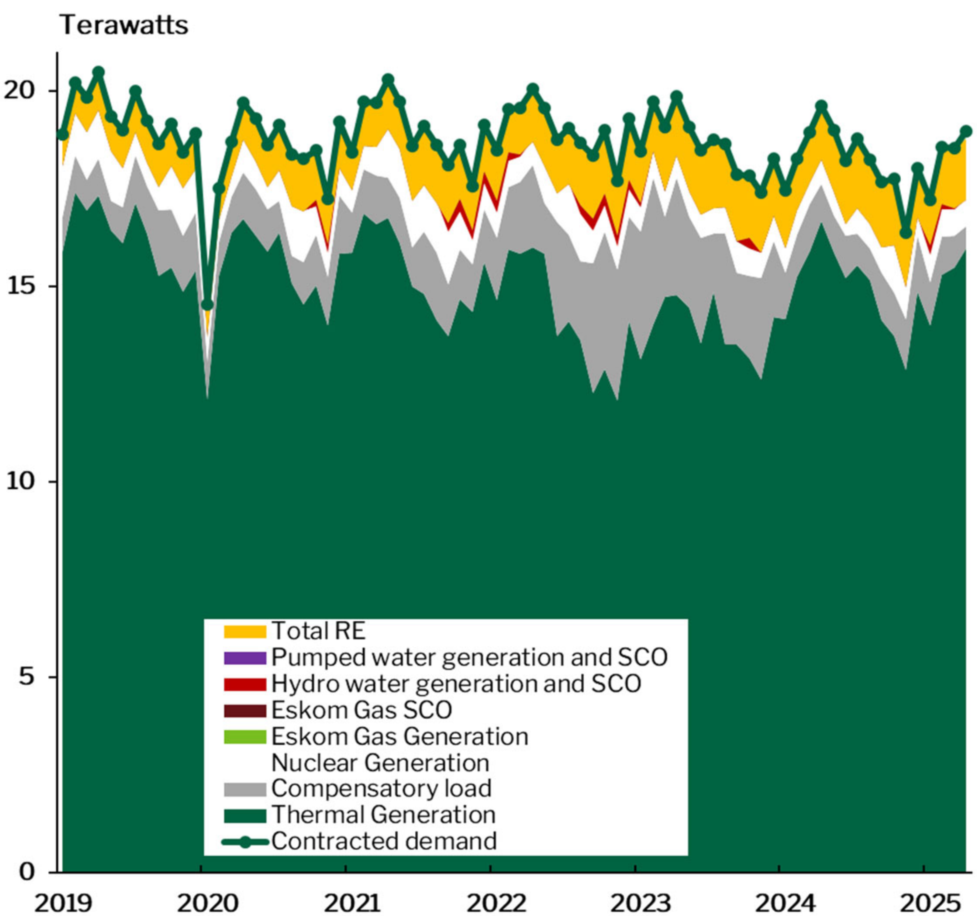
Source: Eskom and Nedbank calculations

… made possible by the improvement in excess demand.

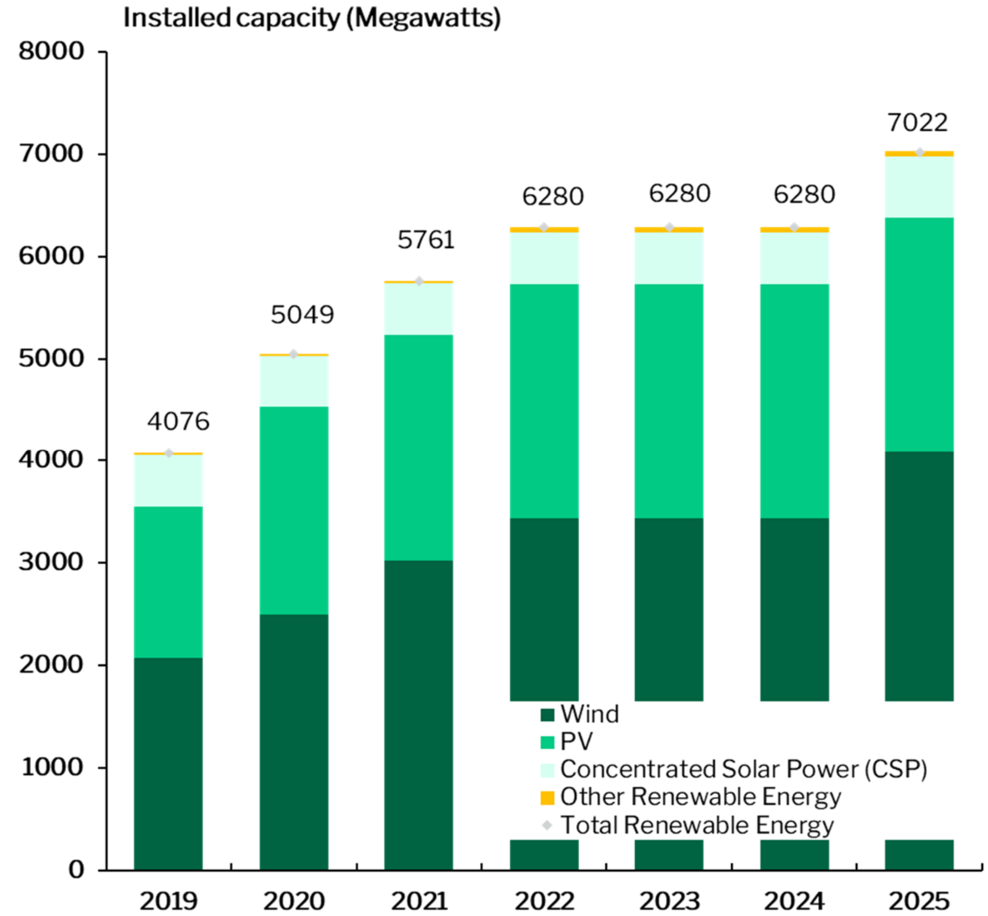


The achievement of stable electricity supply requires a sustained improvement in generative capacity and less dependence on the compensatory load

80% of Eskom's supply is from old coal-fired powered stations.



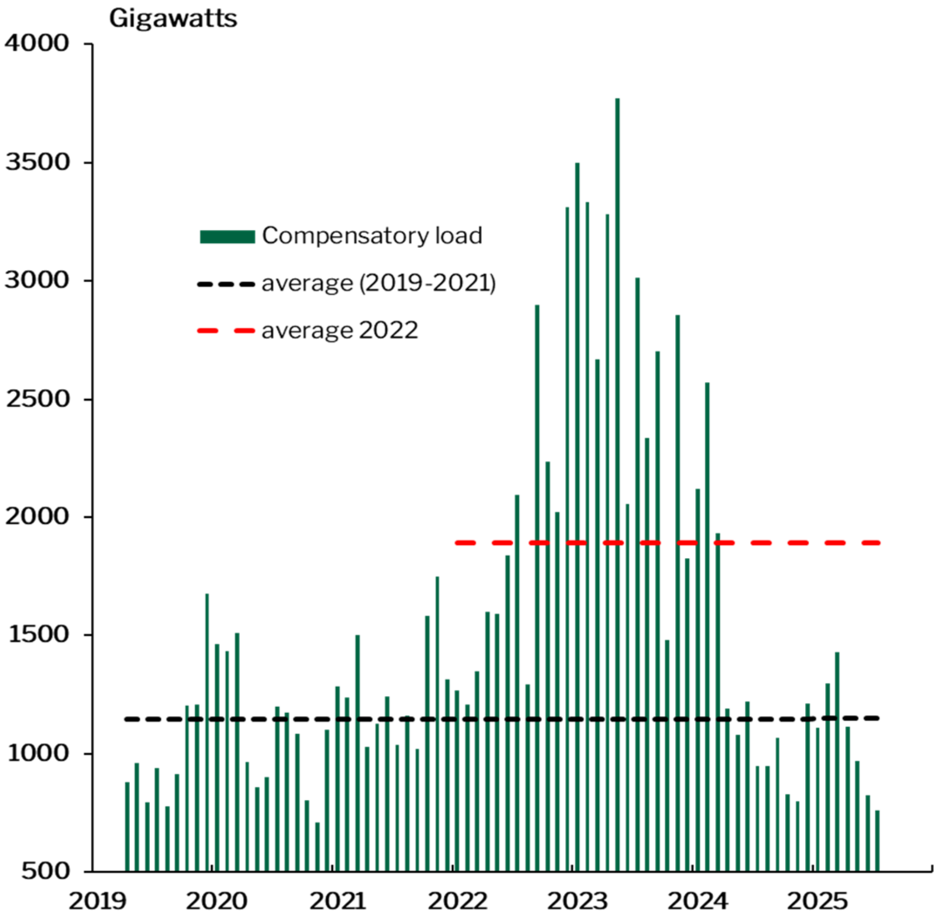
New installations of renewable energy stalled in 2024 before increasing at the start of 2025.



Source: Eskom & Nedbank calculations

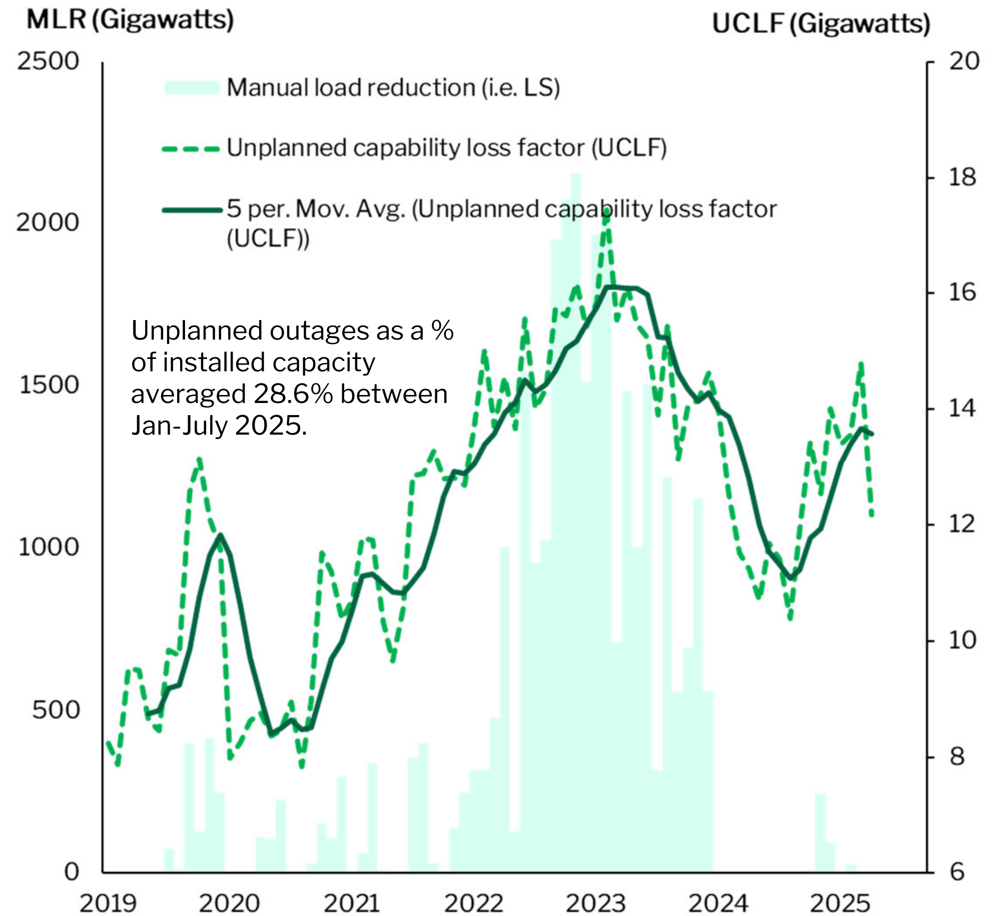
Energy security remains compromised

Reliance on the compensatory load is evidence thereof.



Source: Eskom and Nedbank calculation

So are extraordinarily high levels of unplanned outages and the reality of load-shedding.



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Conclusion

The demand for energy has fallen, while the supply has increased. Nonetheless, excess demand remains high compensated for through load reductions, OCGT usage and international imports.

Despite the yoy improvements in the EAF and load-shedding, energy supply is still insecure given the poor state of infrastructure.

The crisis has spurred the establishment of multiple plans and programmes. Implementation of these plans are underway, but progress remains slow.

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