

Ramaphosa MoU clarifies ministerial roles in fight against load shedding

President Cyril Ramaphosa has sanctioned a Memorandum of Understanding (MoU). This agreement, struck between Minister of Public Enterprises Pravin Gordhan and Minister of Electricity Kgosientsho Ramokgopa, aims to delineate their respective roles concerning Eskom, the nation's primary electricity supplier. The MoU sets a foundation for a cooperative strategy, enabling both ministers to effectively exercise their designated powers and functions.



South Africa finally has more clarity on the role that Minister in the Presidency responsible for Electricity, Kgosientsho Ramokgopa, will play in alleviating load shedding. Source: x.com

“While significant progress has been made in reducing the severity of load shedding, much work still needs to be done to guarantee a secure supply of electricity. The collaborative approach outlined in the Memorandum of Understanding will further strengthen Eskom’s efforts to resolve the electricity crisis,” Ramaphosa said in a statement on Friday.

The MoU outlines the roles and responsibilities of the Minister of Electricity as...

- Focus full time on all aspects of the electricity crisis and the work of the National Energy Crisis Committee.
- Exercise authority over the Eskom Board and management on ending load shedding and ensure that the Energy Action Plan is implemented without delay.
- Improve generation capacity and the purchase of additional capacity.
- Oversee implementation of the Eskom Generation Recovery Plan.
- Ensure that the generation fleet performs optimally and results in security of supply and a low level of loadshedding.
- Ensure that matters dealing with transmission are dealt with, including the issuing of the Requests for Proposals and/or Requests for Information for financing of new transmission lines.
- Developing and agreeing on financing models and options for transmission together with National Treasury and the Presidency.

The Presidency said the MoU takes into account the Eskom Memorandum of Incorporation, which makes it obligatory to inform the Minister of Public Enterprises of critical decisions in this respect.

The MoU stipulates that the Minister of Public Enterprises will...

- Remain the shareholder representative of Eskom.
- Support and assist the Minister of Electricity in his interactions with the Board by incorporating the responsibilities of the Minister of Electricity listed in the MoU in the execution of his role as shareholder, in line with the Eskom Shareholder Compact, and inserting the obligations of the Board in this regard into the Board Performance Evaluation Framework.
- Steer the restructuring of Eskom in line with the Eskom Roadmap.
- Ensure the establishment and operationalisation of the transmission company.
- Lay the basis for the restructuring of Eskom arising from the Electricity Regulation Act Amendment Bill.
- Oversee the implementation of the Just Energy Transition strategy as provided for in the Shareholder Compact.

The MoU makes provision for regular review meetings between the Ministers to address any impediments to its implementation. The Ministers will also have regular review meetings with the President.

“The Ministers will work together more closely and with their respective responsibilities clearly outlined to ensure the effective implementation of the Energy Action Plan,” the President said.

Ramaphosa announced the Energy Action Plan in July 2022 as South Africa’s plan to end load shedding and achieve energy security. It outlines a bold set of actions aimed at fixing Eskom and adding as much new generation capacity as possible, as quickly as possible, to close the gap in electricity supply.

The arrangement outlined in the MoU will be operational until the end of the current administration.

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