

Eskom RCA Applications

JANUARY 2020

Ted Blom



Time for Power Revolution

- Eskom incapacitated
- Nersa Governance
- Runaway costs
- Corruption rife & BIGGER than Eskom admits
- RCA is Unconstitutional
- Independent power supplies for power independence

Time for Power Revolution

- Eskom incapacitated
- Minimum 18 mths severe loadshedding
- Probably 5 years
- Ambitious “fix plant promise”
- No extra cash to executive

Time for Power Revolution

Nersa Governance

- MYPD/RCA never audited
- Nersa has never conducted a formal statutory audit to test compliance
- Eskom invoices to munics NOT compliant in many instances
- Eskom denies NERSA locus in arbitration

Time for Power Revolution

- Runaway costs
- Medupi & Kusile est 10X world ave for similar coal
- Coal costs > R10bn
- Eskom is runaway train

Time for Power Revolution

- Corruption rife & BIGGER than Eskom admits
- Previous admission was “couple of Million”
- Eskom MYPD div Delloite > R300m fraud
- SIU > R139 bn

Time for Power Revolution

- RCA is Unconstitutional
- Retrospective repricing is NOT contractually defensible
- Removes contracting certainty
- End customer unable to recoup
- NOT fair & Equitable practice

Time for Power Revolution

- Independent power supplies for power independence
- Lots of noise – little legislation
- Is Nersa going to amend? When?

2019 OUTLOOK

Will Eskom survive?

Recommendation

Scrap these RCA applications until we see a full

NERSA Forensic Report

&

Fundamental Restructure

of Sector

Thank you

Ted Blom

082 857 2534

Ted.Blom@MiningandEnergy.co.za

