

# Eskom Just Energy Transition

*17 November 2020  
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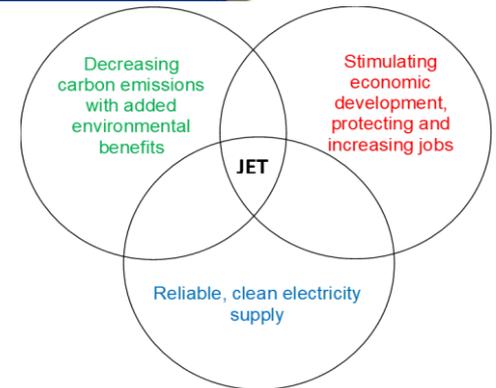


# Eskom's JET Vision: Net Zero\* carbon emissions by 2050 with an increase in sustainable jobs

\* Driving down emissions with the remainder being offset

## Eskom definition of the Just Energy Transition

- ✓ The Just Energy Transition is about a transition towards a cleaner and greener energy future while enabling the creation of new job opportunities for those displaced by the replacement of coal by these technologies.



## What is NET ZERO carbon emissions in an Eskom context?

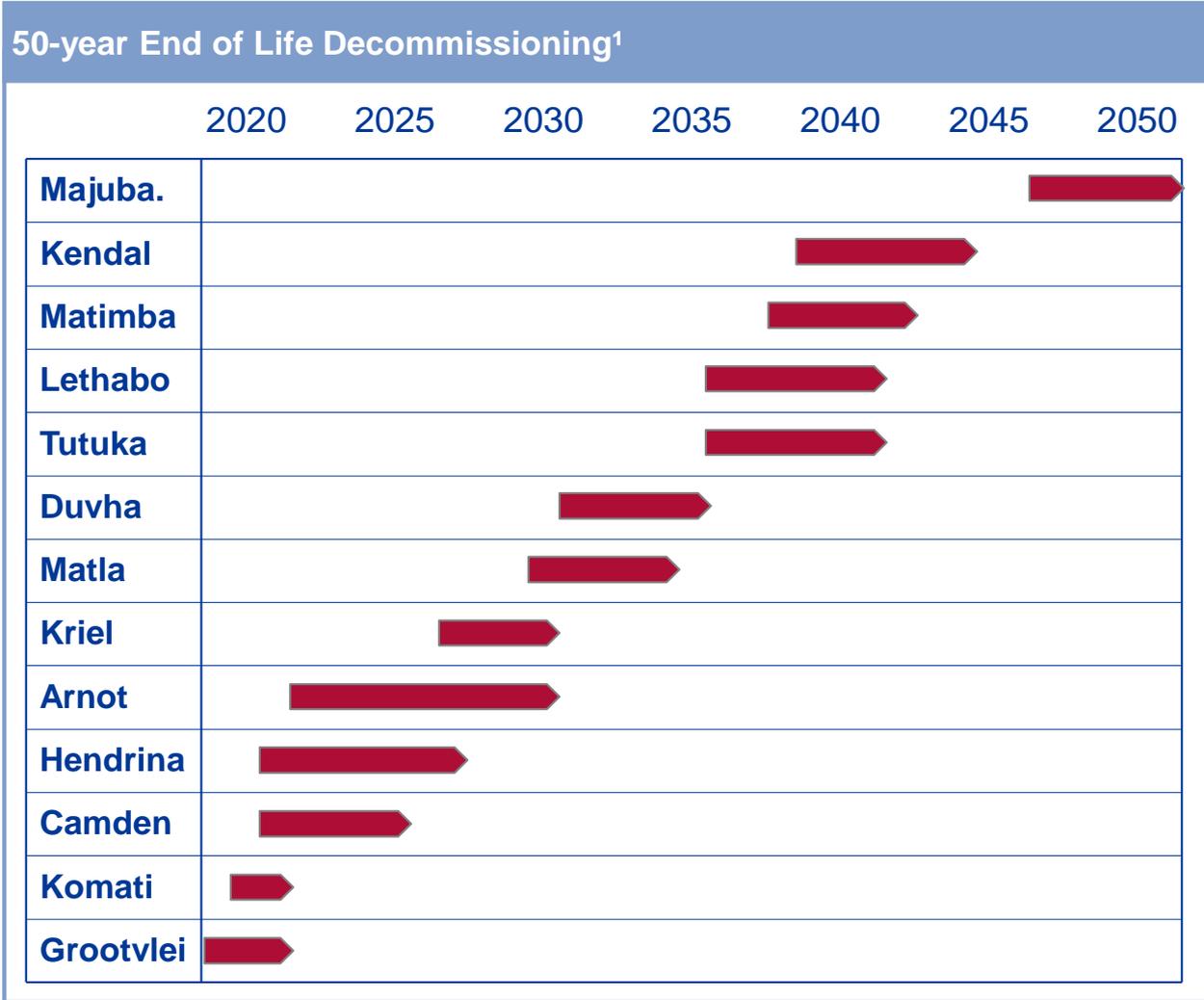
- Carbon emissions are reduced as much as is possible over the next 30 years taking into account system requirements, costs, ability to build capacity, etc.
- The “net” in the net zero target means that we will still have residual emissions over the coming years as we work towards decarbonising the grid
- Any emissions **left in the system** will be balanced by: (*non-exhaustive*)
  - ✓ Investing in projects that remove carbon emissions from the atmosphere e.g. NCS, agriculture and forestry projects
  - ✓ Buying equivalent carbon credits from the carbon market that are additional
- Evaluation of various options for financing alternatives

## Some pegs in the ground

- ✓ We are committed to a Just Energy Transition – where the “Just” and the “Transition” are equally important.
- ✓ The JET occurs in a phased manner over time. It is not abrupt change but it is radical change for Eskom
- ✓ Enablers include financial and policy support.
- ✓ Cost reflective tariffs are key
- ✓ Collaboration across government, business, civil society, academia will drive a success story for SA
- ✓ None of us can predict what technology disruptions may come in as soon as early 2030 or late as 2040 that will set us on a path to the net zero target. Lets not close doors without first looking in for the opportunity



# Eskom will decommission 10 power stations by 2040 and 3 by 2050, presenting an opportunity for repurposing of the sites



**Problem Statement and Objectives**

Eskom needs to establish an innovative framework for managing the closure of stations to proactively address the following seven dimensions:

- i. Strategic**
- ii. Financial**
- iii. Operational**
- iv. Environmental**
- v. People**
- vi. Socio-economic development**
- vii.Reputation**

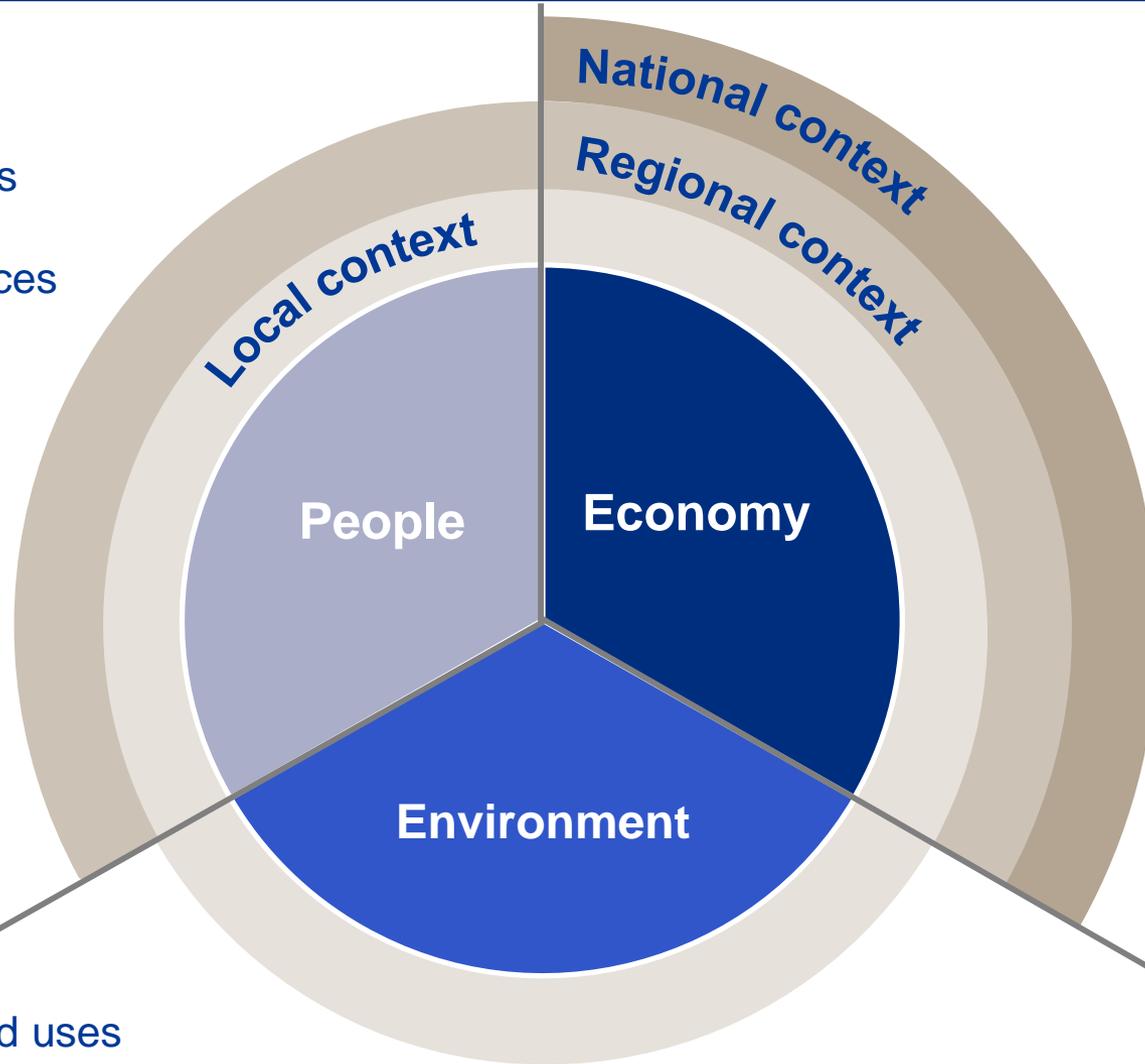
Eskom retains the legal, financial, and operational responsibility for decommissioning these stations. There is an opportunity for Eskom to create value from these sites by repurposing them instead of simply decommissioning them

Source: Integrated Resource Plan (IRP2019)

# Socio-economic impact studies for power station shutdown commenced: Impact categories being investigated

- Quality of life
- Out-migration
- Living conditions
- Family ties
- Access to services
- Social ills
- Income levels

- Employment
- Skills
- Community sustainability
- Economic sustainability
- Business impact
- Government revenue
- Property



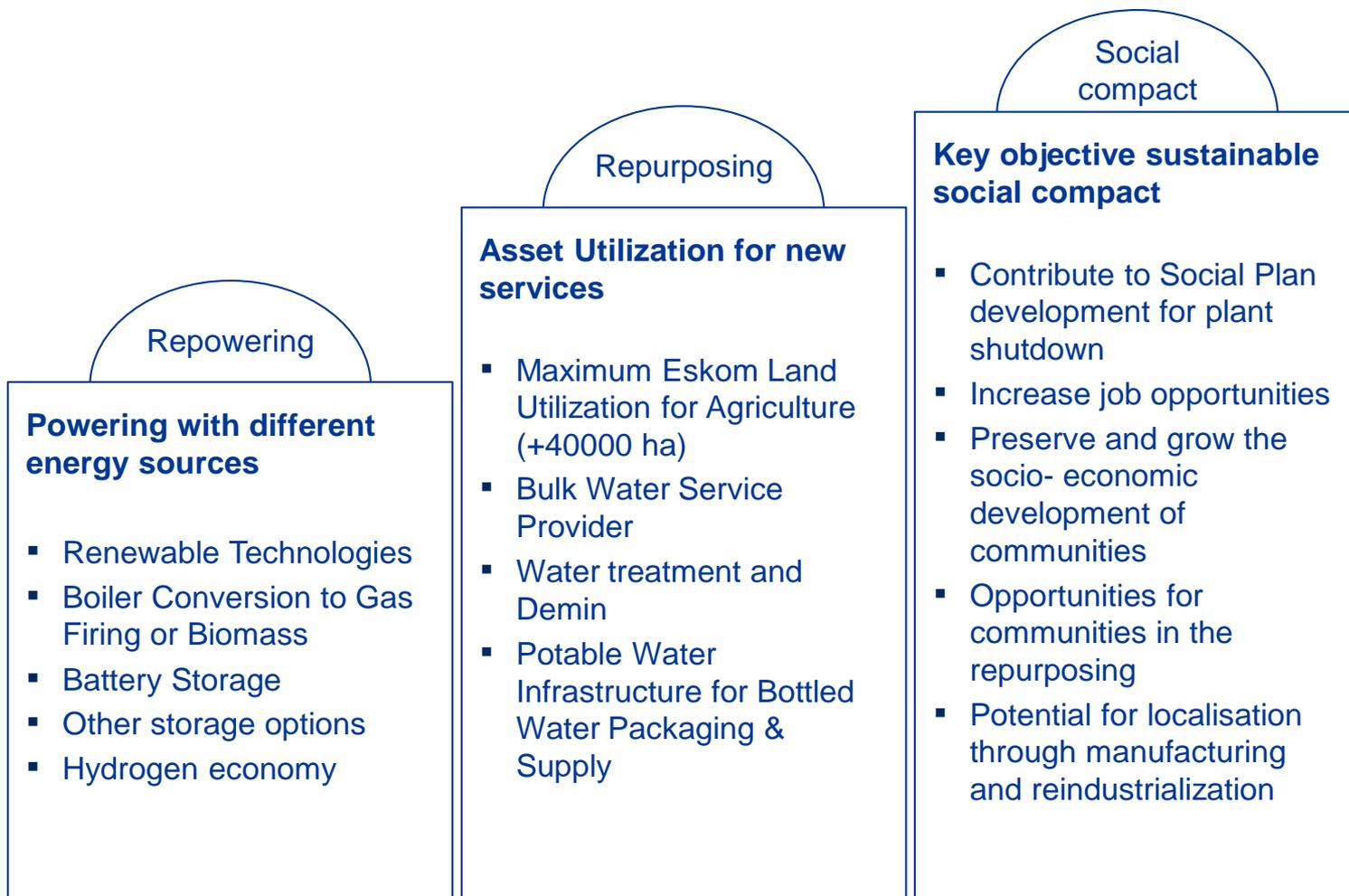
- Land uses
- Quality of the environment
- Access to natural resources

# Socio-economic impact study for the shut down and repurposing of power stations - Status of the project

	Study Framework	Baseline Studies	Stakeholder Engagement	Economic Modelling
Completed	<ul style="list-style-type: none"> <li>Inception report</li> <li>Study Framework</li> </ul>	<ul style="list-style-type: none"> <li>Draft Baseline report</li> <li>Demography</li> <li>Employment</li> <li>Economic Profile</li> <li>Planned programmes</li> <li>Developmental needs</li> </ul>	<ul style="list-style-type: none"> <li>District and Local M</li> <li>Ward councilors</li> <li>Ward committee</li> <li>Local – NGO's, civic, business org and leaders</li> <li>Reputational survey</li> <li>Local community business interviews</li> <li>Facilities audits</li> </ul>	<p>National, Mpumalanga and local impact</p> <ul style="list-style-type: none"> <li>Employment</li> <li>Economic sustainability</li> <li>Business impact</li> <li>Government revenue</li> </ul>
Ongoing	<ul style="list-style-type: none"> <li>Primary data gathering</li> <li>Business Survey</li> <li>Settlement HH survey</li> <li><b>Mitigation plans</b></li> </ul>	<ul style="list-style-type: none"> <li>Power station information sharing with BU forum</li> <li>Labour engagement</li> </ul>	Critical Path	<ul style="list-style-type: none"> <li>HR Plan Development</li> <li>Labour engagements</li> <li><b>Mitigation plans</b></li> </ul>

Study planned to be completed by end Mach 2021

# Implementation of the JET strategy is important for the socio-economic mitigation plans



RFIs and EOIs under evaluation  
Collaborative and partnerships approach