

Eskom's eighth decade
 "Powering transformation"

1993 - 2003

In the 1990s, the winds of change were gusting across the southern part of Africa, as the last vestige of white rule in Africa began the tricky task of negotiating its own demise. Fortunately, there was enough goodwill between South Africa's two main political organisations (the African National Congress and the National Party) for their respective leaders to be jointly awarded the Nobel Peace Prize "for their work for the peaceful termination of the apartheid regime, and for laying the foundations for a new democratic South Africa" – as the official wording had it.

In 1993 Kendal power station was completed. Kendal was the world's largest indirect dry-cooled power station, boasting chimneys 275m high. After Kendal came Majuba power station (another dry-cooled giant), which first went into service in 1996 and was only completed in 2013. In 1993, it was announced that Allen Morgan would take over from Ian McRae as Chief Executive.

In the 1990s, Eskom made a herculean effort to play its part in bringing power to the people. In 1993, there were 300 000 electrifications countrywide (two-thirds done by Eskom and a third by various municipalities). By 1995, the combined (both Eskom and municipalities) number of connections was 450 000, and in 1997, it was half a million.

However, putting millions of poor people onto the grid created its own problems. To make matters worse, in 1994 (besides committing to electrifying 1,75 million homes by 2000), Eskom had committed to bringing down the real price of electricity. As municipalities (particularly smaller ones) ran out of cash, they defaulted on their Eskom bulk accounts. Eskom proposed that, at the very least, municipalities had to de-link electricity cost and supply from other services and start charging cost-reflective tariffs.

A National Electricity Regulator, which was established towards the end of 1994. In 1995, after an amendment to the Electricity Act, it replaced the Electricity

Control Board and was given sweeping powers to regulate the electricity industry.

It was decided to separate the position of chairperson of the Board and that of Chief Executive, and in 1999, Dr Enos Banda became chairperson and Dr Xolani Mkhwanazi Chief Executive. A total of 18 months of valuable time was lost in the process, and still the much-needed restructuring did not take place. In 1994, Eskom was owed R920 million in arrears, and by 1999, Eskom's customer arrears (which included individual customers as well as municipalities) stood at R2 billion. It would take some years to sort out the problem and help municipalities reverse the tide of non-payment.

In 1997, John Maree retired as chairperson, to be replaced by Eskom's first black chairperson – Reuel Khoza.

Amid many unsolved issues the government set Eskom a range of goals: reduce the electricity price (by 15%



availability and gives an indication how well plant is operated and maintained. This 72% was not a good rating, and although it had improved to 80% in 1993, it needed to get a lot better for Eskom to achieve its goal of world's lowest-cost producer of electricity.

In 1995, the Southern African Development Community (SADC) established the Southern African Power Pool (SAPP): a common grid and a common market for electricity in the region. The year 1996 saw the commissioning of a transmission line from Matimba power station (in Limpopo province) to Bulawayo in Zimbabwe; the line supplied much-needed electricity to both Botswana and Zimbabwe. That same year, Eskom entered into a partnership with Electricidade de Mozambique (EdM) and the Swaziland Electricity Board to construct two 400kV transmission lines from Arnot and Camden power stations to a substation near Maputo. The lines would supply the Mozambique Aluminium Smelter (MOZAL), which was founded in 1998 and is currently the second largest aluminium producer in Africa.

In 1999, Eskom Enterprises was registered as a wholly owned subsidiary of Eskom and would focus on Eskom's non-regulated business activities in South Africa, as well as look for opportunities to do business on the rest of the continent.

In late 1998, the government released a White Paper (an authoritative report

that commits the government to certain policies) on a comprehensive energy policy. The Eskom Amendment Act took its cue from the White Paper and was passed at the end of 1998, making Eskom a limited liability company with share capital and falling under the Companies Act. This conversion of Eskom took effect in and Eskom was now run not as a public enterprise, but a public company with share capital. A Board of Directors now presided over the affairs of Eskom Holdings Limited (Eskom's new official title). Reuel Khoza was appointed chairperson of this board.

Meanwhile, in 2000, Thulani Gcabashe had been chosen to succeed Allen Morgan, who was retiring, as Chief Executive, with effect from April 2001.

Eskom's efforts to electrify the country did not go unnoticed on the world stage, and in December of 2001 at the Global Energy Awards ceremony held in New York, Eskom was presented with the Power Company of the Year Award. That same year, Eskom embarked on a makeover; a new corporate identity and logo were approved in 2001 and implemented in 2002. •



1993
to
2003

DID YOU KNOW?

On commissioning in 1993, **Kendal power station** became the world's largest indirect dry-cooled power station. ▽

In 1993 the Electricity Council became much more representative of Eskom's stakeholders when three members were appointed to represent the unions, and two black women were appointed: Ellen Kuzwayo and Nozizwe Majija.



In 1993 **Dawn Mokhobo** was appointed Senior General Manager of Growth and Development – the first such senior appointment of a woman in Eskom, black or white.

After the 1994 elections the government set Eskom the target of electrifying 1 750 000 homes by the end of 2000. The target was reached with a year to spare. ➤

Allen Morgan, who became CE of Eskom in 1994, was (from 1983-1985) the Western Cape Region's Eastern Distribution manager, and the Hex River Power Station manager.

Thus he was the only person in Eskom to hold the job of distribution manager and power station manager simultaneously.

In 1997, **Reuel Khoza** replaced John Maree as chairperson of the Electricity Council, making him Eskom's first black chairperson.



Reuel Khoza (chairperson from 1997 to 2005) wrote the lyrics for several songs about Eskom, which were performed by Eskom choristers. ▽



In 1999, Eskom achieved its employment equity target of 45% black staff in managerial, professional and supervisory positions.

In 2000, **Thulani Gcabashe** replaced Allen Morgan and became Eskom's first Black Chief Executive. ▽



In 2001 **Kumo Radebe** was appointed to head up Matimba Power Station, thus becoming Eskom's first female power station manager.

▲ **John Maree and Allen Morgan**

Majuba power station (fully operational in 2001) is the only power station in the world that combines wet and dry cooled technologies.

Eskom published its first glossary of energy terms (English/Sesotho/Sepedi/IsiXhosa/IsiZulu) in 2001. It was authored by Sipho Neke, Rose Diale, Zama Bekeweni and Nto Rikhotso.

In 2002, when Eskom became a public company, **Reuel Khoza** was appointed chairperson of the Board of Directors.



The Eskom Conversion Act was signed into law in 2002, which meant Eskom ceased being a public enterprise, and became a public company with share capital.

◀ In 2002, construction began on the **Klipheuwel Wind Facility** in the Western Cape. These were the first wind turbines in sub-Saharan Africa