

Mbabane green electricity

In 2023, Eswatini Electricity Company (EEC) marks sixty years of existence. At the time of its foundation in 1963, Swaziland - as Eswatini was then known - had electricity, but not much to speak of. Even by the year 2000, a full fifty years after the first electric generators were installed in Mbabane, only about 20% of the population of slightly over one million people had access to electricity.

It is largely thanks to the efforts of the Eswatini Electricity Company that this situation has been turned around irrevocably. From 20% in 2000, the access of landlocked Eswatini's population is now closer to 80%, and continues an upward trajectory, even as the population grows. Business Excellence looked at the story and numbers behind the company, which is electrifying Eswatini in the 21st century.

Eswatini Energy Company ("EEC") is Eswatini's main power generating, transmitting, and distribution company. Operating in a liberalized market under the Public Enterprises (Control and Monitoring) Act (1989), Electricity Company Act (2007), and the Energy Regulatory Act (2007), the EEC is fully owned by the Government of the Kingdom of Eswatini and accountable to it and the people of Eswatini.

In 2022, the company has a generation capacity of just under 500MW, accounting for over 21% of Eswatini's total electricity capacity. It has four large substations and nearly 23,000 kilometres of distribution lines spreading across the country. Impressively for a landlocked country, hydropower accounts for around 263 GWh of the electricity generated for its customers, which includes the spectrum of domestic, large, and commercial customers.

In 2020/21, the company generated gross sales of E2.3 billion (approximately US\$133 million) to nearly a quarter of a million end customers. These results - only marginally down on the record results of the year before - were achieved despite approximately a third of the company's strategic initiatives being curtailed by the effects of Covid-19 in Eswatini. Eswatini's electricity gap is being addressed by a highly resilient company.

In 2018, EEC launched what it called "Vutsela," an ambitious 3-year strategic roadmap focused on three main themes: operational excellence, revenue growth, and impact on society. Although the initiative was somewhat understandably delayed owing to the impact of Covid-19, in 2022, everything planned in Vutsela has been completed, having added an additional year to bring all of the strategic goals to completion.

On the operational excellence side, Vutsela has several aims, which taken together composed the most ambitious part of the strategic roadmap. These included increasing transmission, distribution efficiency, and reliability; increasing generation efficiency, availability, and capacity; improving back office efficiency; increasing commercial efficiency; decreasing the risk of permanent disruption, and improving procurement proficiency.

In terms of revenue growth, the main goals of Vutsela were to increase core revenue through a cross-subsidy mix, attract and retain key profitable clients, and to increase non-core revenue. Finally, in terms of the company's impact on society, Vutsela's aims were to reduce the company's carbon footprint and to increase rural electrification. Underpinning all of this was an aim to increase safety across the board.

The Vutsela strategy was just one part of a larger group of major capital projects being carried out by EEC, whose ultimate aims are to increase generation capacity for the Eswatini electricity supply industry and increase the population's access to electricity. A good example of this can be seen with the Southeast Grid Reinforcement Project, initiated solely to increase the load capacity of the grid from 23,757MW - 43,928MW by 2035. It was successfully completed in March 2021.

Another example of EEC's major capital projects is the Edwaleni - Stonehenge 132kV Transmission Project, which addresses the risk of failure of the existing 40-kilometre single circuit line by constructing a second single circuit 52km 132kV line to avoid power blackouts. The project cost was E116 million and is ongoing, with EEC having replaced the original contractor after the Covid-19 pandemic passed.

These are just to mention two of EEC's projects of the last few years, some of which are ongoing and some of which have already been completed. Others include the Network Reinforcement and Access Project, the Lavumisa 10MW Solar PV Plant, and the Sigcineni Off-Grid Solution Project, which was successfully completed and commissioned in August 2020 costing a total of E3.5 million.

Eswatini was already facing challenging economic conditions when Covid-19 arrived in its territory in March 2020. Its arrival only served to make a challenging environment even more challenging. For EEC, that meant a sharp reduction of electricity consumption on its grid (which it was able to offset by using excess electricity during peak consumption periods), as well as the temporary scaling back of some projects to protect workers' health.

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Web: <https://hollanddutchtours.nl/contact-us/>

Email: energystorage2000@gmail.com

WhatsApp: 8613816583346

