

Eswatini Electricity Company

FUTURE PROOFING ESWATINI'S
ENERGY FUTURE





EEC

ESWATINI ELECTRICITY COMPANY

Future Proofing Eswatini's Energy Future

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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.

Overview

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.

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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.

The Vutsela Strategy

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.

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.

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.



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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.

Major Capital Projects

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.

Weathering the Pandemic

Eswatini was already facing into 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.

EEC was resolute in its defense against the pandemic, however. To the end of 2021, it had conducted 874 covid tests, of which a total of 145 positive cases were identified.





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The operations of EEC are supported by nearly 100 sub-contractors owned by emaSwati, who, in turn, provide employment to around 1,000 people

In total, EEC invested E2.5 million in the workplace to protect its workers against Covid. EEC also contributed E500,000 towards Eswatini’s national Covid-19 Resource and Mobilisation Committee, in addition to E501,000 - in conjunction with Motraco - to the Raleigh Fitkin Memorial Hospital.

Supply Chain Partners

The operations of EEC are supported by nearly 100 sub-contractors owned

by emaSwati, who, in turn, provide employment to around 1,000 people. EEC also works with a number of supply chain partners, who help it deliver on its mission. The most prominent of these, naturally, are the suppliers of electrical components, systems, and solutions, which include CBI Electric, Actom Electrical, Revive Electrical Transformers, Kalpataru Power Transmission, and Cullin Africa CC.

Each of these firms would have worked closely with George Sttot & Co (Pty)

Limited at some stage, which has been responsible for EEC’s extensive steel requirements. ARB Global won the contract to supply EEC with its internet and telecommunications requirements, and worked in tandem with Slomoes Corporation, a local provider of computer and IT services. Finally, Transrail Lighting works with EEC on all manner of lighting used on its projects and operations.

Future Outlook

EEC’s fundamental role in improving electricity access in Eswatini is set to continue. As the country faces economic headwinds in the next few years, the resilience that EEC showed during the Covid-19 epidemic will put it on solid

ground to continue its growth and deliver on its mandate. It plans increased rural electrification, improved customer connection optimization, new product development, and new innovations. EEC can look to the future with confidence.

EEC

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