



CITY OF JOHANNESBURG

Councillor JACK SEKWAILA

MMC: Environment and Infrastructure Services

The City of Johannesburg Conducts a feasibility study on potential acquisition of Kelvin Power Station and Egoli Gas as part of long-term energy security strategy

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The Member of the Mayoral Committee (MMC) for Environment and Infrastructure Services, Cllr Jack Sekwaila, wishes to inform residents of the City of Johannesburg that the City, through its municipal-owned entity City Power, has undertaken a feasibility study to assess the viability of acquiring Kelvin Power Station and Egoli Gas as part of a broader strategy to strengthen energy security, diversify supply sources, and reduce the City's long-term reliance on Eskom. At this stage, discussions remain at an early and exploratory phase, and neither Kelvin Power Station nor Egoli Gas has been formally engaged regarding any potential acquisition. The feasibility study is intended to inform decision-making and does not constitute a decision to acquire. It is also important to note that both Kelvin Power Station and Egoli Gas historically formed part of the City's broader energy ecosystem, and their consideration represents a possible reintegration rather than an entirely new concept.

The feasibility study, which has been formally tabled and noted by Council, reflect a strategic and responsible step in evaluating options that can support the stabilisation of electricity supply, improve affordability over time, and enhance the resilience of Johannesburg's energy system. This work aligns with the City's long-term development objectives and City Power's approved Sustainable Energy Strategy, as reflected in its medium- to long-term planning framework. Johannesburg's energy challenges, characterised by load shedding, rising electricity tariffs and constrained national generation capacity, have underscored the need to explore diversified and locally anchored energy solutions. As the political head responsible for oversight of infrastructure and energy services, the MMC has consistently emphasised the importance of proactive planning to ensure the City remains resilient in the face of these challenges.

MMC for Environment and Infrastructure Services, Cllr Jack Sekwaila, said the feasibility study demonstrates the City's commitment to taking responsible and forward-looking steps to secure Johannesburg's energy future.

"This feasibility study reflects the City's obligation to explore sustainable and locally driven energy solutions that can protect residents and businesses from ongoing supply disruptions and escalating costs. It is a prudent exercise aimed at understanding whether assets such as Kelvin Power Station and Egoli Gas can contribute meaningfully to Johannesburg's long-term energy security, while ensuring that any future decisions are grounded in sound financial, technical and governance considerations," said Cllr Sekwaila.

City Power CEO, Ms. Tshifularo Mashava, said the feasibility study reflects the entity's commitment to acting responsibly and in the best interests of the City.

"This feasibility study is about doing our work thoroughly and responsibly. As City Power, we have a duty to explore all viable options that can strengthen energy security for the city, reduce our long-term exposure to national supply constraints, and place Johannesburg on a more sustainable and resilient energy footing. The assessment of Kelvin Power Station and Egoli Gas is not a decision to acquire, but a necessary step to determine whether these assets can deliver real value for residents, businesses and the City over the long term," said Ms. Mashava.

Kelvin Power Station, which has historically supplied base-load electricity to Johannesburg for more than seven decades, currently contributes approximately 10% of the City's base-load electricity requirements. Its proximity to major industrial and commercial hubs presents clear operational advantages, including reduced transmission losses and improved grid stability. Preliminary assessments have also indicated that electricity procured from Kelvin has historically been more cost-effective than bulk supply from Eskom, highlighting the potential long-term value of securing greater strategic control over the asset, subject to the outcomes of the feasibility study. Egoli Gas similarly represents a strategically important component of Johannesburg's energy landscape. Its extensive reticulated gas network supplies residential, commercial and industrial customers across the City. Integrating gas infrastructure into the City's broader energy planning could enable a more diversified energy mix, support hybrid energy solutions for businesses, and contribute to future decarbonisation efforts, including the potential transition to cleaner fuels over time. The MMC emphasised that the process remains firmly rooted in good governance, transparency and the public interest.

"No acquisition decision has been taken at this stage. The feasibility study will rigorously assess financial viability, funding options, regulatory and licensing requirements, environmental compliance, operational readiness and workforce implications. Council will be fully guided by the outcomes of this process before any further decisions are considered," said Cllr Sekwaila. The outcomes of the feasibility study, together with a detailed implementation roadmap and risk mitigation plan, will be reported back to the City's governance structures for consideration.

This initiative forms part of the City's broader strategy to capacitate its energy institutions and enable them to respond to growing demand driven by population growth and business expansion. It follows a number of strategic programmes already implemented by City Power, including the introduction of Independent Power Producers (IPPs), the installation of solar microgrids, the rollout of solar photovoltaic systems at key facilities such as health institutions, water treatment plants and government buildings, and the refurbishment of the John Ware Open Gas Turbine Substation to provide additional capacity during periods of load shedding.

Collectively, these interventions are designed to reduce over-reliance on Eskom, build local energy capacity, and contribute to addressing the country's broader energy challenges. As City of Johannesburg, we remain fully committed to building a resilient, diversified and sustainable energy system that supports economic growth, safeguards essential services, and improves the quality of life for all residents.

ISSUED BY:

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