

# AIDC, NERSA Oral Presentation

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AIDC requests NERSA that RCA application should resolve the current crisis at ESKOM  
The regulatory process should ensure access to electricity for all and reduce the country's energy poverty.

# AIDC

- Our presentation will highlight the following points.
- Electricity affordability.
- The role of ESKOM.
- Cost savings plans to address ESKOM crisis.
- Financing ESKOM debt.
- Justice for the poor.
- Conclusion.

# ESKOM Cost savings Plans

- ESKOM could look at other ways of addressing the crisis by decommissioning all the coal plants that are no longer economical to run.
- Steyn, G etal 2017 report recommended the early decommissioning of the three old coal plants even earlier than planned and points out that ESKOM could save as much as R12,5 billion in present value terms.
- Avoid the completion of Kusile Units 5 and 6 to give rise to a financial saving in the region of R15-R17 billion without affecting security of supply.

# ESKOM Cost saving Plan... Report Recommendations.

- Its critical that NERSA ensures investigation and address these issues and that ESKOM is only allowed to recover efficient costs in tariffs.
- The process of investigation should also include social and environmental costs of ESKOM's financial crisis, the impact on human health, mortality, local air pollution, environment and its contribution on climate change.

# ESKOM Debt

- Eskom debt is much more than just an ESKOM problem.
- It is a problem that threatens the viability of the whole economy.
- Cosatu has now added its voice to the growing call for GEPA to use its vast resources to save ESKOM and the economy.
- To do so without threatening pensions or any other benefits owed public employees.

# Justice for the Poor

- Eskom wants to punish the poor further by making electricity even more unaffordable while those who have robbed ESKOM of tens of billions of rands are still free to enjoy their stolen wealth.

# Electricity Affordability

- Electricity will be even worse than now.
- Trapped in the death spiral, means more people able to afford even less electricity, which means ESKOM fails to meet its expected revenue, which results in ESKOM putting up the price to raise revenue but succeeds only in getting even less revenue, which results in yet another price increase and so until ESKOM dies.

# Role of ESKOM

- Eskom needs to remember that it is a Publicly owned entity meant to provide everyone with cheap electricity even though it has been corporatised.



# Conclusion

- Countries around the world are reducing their dependency on coal and moving to a low carbon economy using alternative energy sources such as Renewable Energy.
- Therefore NERSA in any decision it plans to take, should consider this global context and energy development that South Africa needs.





