

The National Energy Regulator of South Africa (NERSA) held a public consultation this week regarding the granting of a licence to unbundle Eskom as part of the National Transmission Company (NTC) into 3 separate entities; Generation, Transmission and Distribution.

[https://y8p4j9m8.stackpathcdn.com/wp-content/uploads/bsk-pdf-manager/2023/03/NTCSA- Advert-Notice-of-public-hearing-11-April-2023.pdf](https://y8p4j9m8.stackpathcdn.com/wp-content/uploads/bsk-pdf-manager/2023/03/NTCSA-Advert-Notice-of-public-hearing-11-April-2023.pdf)

SAFCEI as an interested party presented at this session. While SAFCEI supports that the unbundling of Eskom into National Transmission Company (NTC), it comes with the provisions that:

- the NTC is wholly owned by the state,
- that a separate NTC will remove red tape and open opportunities to purchase power from a wider range of electricity producers to help alleviate the current electricity crisis,
- NERSA clarifies the implications for electricity tariffs and informs the public of these prior to granting NTC an operating licence.
- that the cost of an unbundled ESKOM does not add to the increasing cost of electricity, but instead results in reduced tariffs through access to cheaper generation options.

It must be cautioned that in spite of all the positive aspects of a NTC, SAFCEI has concerns regarding the impact on the cost of supply of electricity and therefore on affordability of future electricity tariffs. We do not know what the impact is likely to be on tariffs. We need NERSA to provide clarity regarding the cost implications for the public so that the public can make fully informed comment. This needs to happen prior to approving the licence application.

The cost of electricity to the end user is critical. Access to energy is directly linked to achieving a Just Energy Transition (JET). As SAFCEI's membership includes many grassroots faith communities struggling with energy poverty, affordability is one of our main concerns

The key consideration for this unbundling should not increase the amount that an already stretched population is expected to pay for electricity. Government should also use this opportunity to reevaluate the tariff methodology to provide adequate basic energy access to those in need.