



Workshop report:

Developing an understanding of the links between energy choices and energy pricing

25th October 2012.

Venue: Library hall, Atlantis, nr Cape Town, South Africa.

Attendance: 26 community participants attended.

Atlantis is a working class suburb located close to the Koeberg nuclear power station. Atlantis has also been an area of focus for the provincial green economy initiative that aims to uplift an economically depressed area through facilitating renewable energy industrial development. Various organisations ranging from residents' associations, faith groups and labour unions were keen to participate in learning about energy choices and electricity pricing.

The overall objective of the workshop was to develop civil society understanding of renewable energy in order to gain community support for renewable energy and its potential benefits. Given that Eskom had released its proposal for tariff increases three days before the workshop, the workshop was framed in terms of the issues the national energy regulator would use as part of its tariff determination decision-making, including the small percentage of the increase dedicated to renewable energy integration, and the implications of being locked into a coal-dependent pathway.



The Electricity plan of 2010, the IRP2010 commits the country to a 20 year new build programme, the end result of which is that only 9% of South Africa's energy mix will be renewable, 20% nuclear and with 65% still being coal. The principle of tariff determination is that of cost recovery, and as such, the electricity price must rise to pay for the energy choices in the IRP2010. South Africans are still reeling from a virtual doubling of the electricity price over the last 3 years, with a further 16% a year over the next 5 years.

More specifically, the workshop aimed

1. To provide an understanding of the different institutions that have a role in energy governance in the country and to assess how active civil society uses the public participation opportunities available to them.
2. To report on the research findings of the Department of Energy's Renewable Energy independent producers procurement programme (REIPPP) – using the framework developed under the Monitoring and Performance Tracking Project (MAPT).
3. To introduce the 10 Questions on Tariffs developed by WRI's Electricity Governance Initiative that would help civil society understand the tariff setting process.
4. To create an awareness of the MYPD process and to alert civil society to the importance of inputting into this process.



Session 1: The first exercise assessed how much knowledge participants had about the tariff setting process. Participants were asked to work through the questions in groups and then to report back. The overwhelming majority of participants had little or

no knowledge of the process of setting electricity tariffs. Participants expressed keen interest in getting answers to the ten questions as they understood the value of the knowledge that could be gained by having the answers.

Session 2: This session was based on an alternative energy vision for South Africa with the implications for prices and governance issues. This vision is part of an ongoing initiative of EGI –SA to develop an alternative Integrated Resource Plan (IRP). Participants were given a presentation that focused on the historical context of energy choices for South Africa, the negative consequences of such choices and the alternatives that could be provided. The links between energy choices and electricity pricing was explained.

Session 3: Participants then undertook an institutional mapping exercise. Participants were given labelled pieces of paper with relevant energy related institutions written on them. Participants were then asked to indicate pictorially:

- a. How the different institutions relate to each other –
- b. Where are the spaces for the public to engage with these institutions?



The results were unsurprising in one sense in that they reflected a limited understanding of where citizens could participate in decision-making. However, participants quickly understood the different role-players and already, one of the organisation representatives has written to Eskom to ask for information around the latest MYPD3 tariff structures.

Participants were then informed of a governance study that had been carried out that indicated that when there is lack of transparency, lack of capacity and lack of public participation, poor decisions get made by government. *See attached article.*

Given that Eskom had released its proposal for tariff increases three days before the workshop, the participants were focused on how they could participate in the public hearings around tariffs. The discussion focused on what sort of issues the National Energy Regulator of South Africa (NERSA) would use as part of its tariff determination decision-making.

Participants were given an overview of the Department of Energy's Renewable Energy independent producers procurement programme (REIPPP), and EGI-SA's plans to track the implementation of this programme using the MAPT framework over the next three year.

The conclusion and way forward was to encourage participants to become active and to provide submissions to NERSA, and to ask NERSA to hold public hearings in Atlantis. Participants were very keen to have their voices heard. It was resolved that EGI-SA would share our submission to NERSA for participant organisations to peruse and use to make their own submission should they wish. EGI-SA would also add weight to organisations' call for NERSA to hold public hearings in Atlantis should many organisations choose to make submissions to NERSA to this effect.

Participants were also encouraged to support and participate in EGI –SA's MAPT project as further findings and opportunities for input are shared. As part of ongoing community capacity building, EGI-SA will continue to review the REIPP progress over the next year or two, using the MAPT tool, and aims to work with the Atlantis and other community groups in building their capacity to participate in public participation opportunities. Such capacity-building would then strengthen democracy and enable marginalised voices to be heard in this electricity sector debate



In addition, relevant energy specialist NGOs plan to meet to discuss the governance implications of the MYPD and the delayed progress of the REIPP.

The evaluation of the workshop indicated that participants valued the inputs, the resources and would like to see such workshops repeated more often.

Liz McDaid (facilitator)

For more information – go to www.thegreenconnection.org.za or contact liziwe@mweb.co.za