

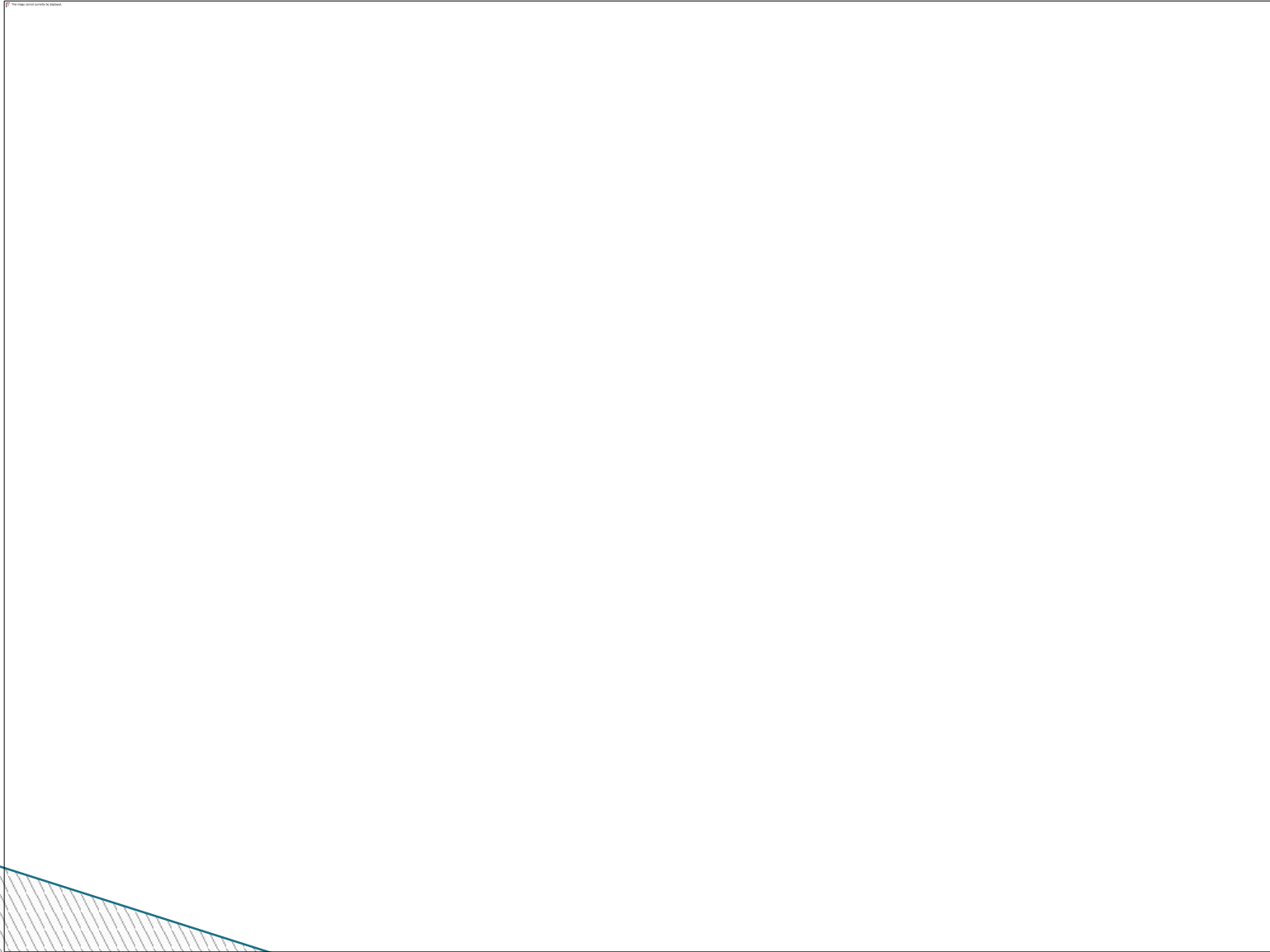
Bongani Mthembu

**SOUTH DURBAN COMMUNITY
ENVIRONMENTAL ALLIANCE
(SDCEA)**

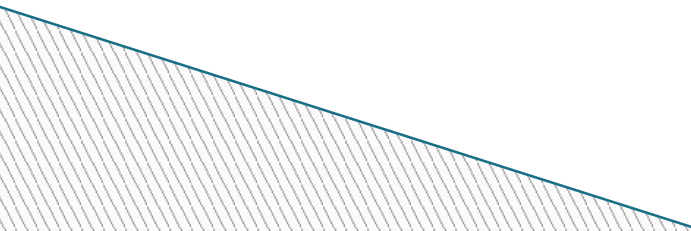


SDCEA Presentation 2019 to NERSA

On April 8 2010, South Africa got a \$3.75 bn loan from the World Bank to finance Eskom's coal-fired power.



Day 1 Eskom

- ▶ Eskom could not answer 80% of the question from the panelist
 - ▶ ‘South Africa is blessed with coal’ statement from Eskom rep.
 - ▶ External disadvantaged of hiking tariffs, Job losses, Business closure.
 - ▶ Household, families stress; divorce; abuse and...
 - ▶ Eskom is not proactive or anticipating to consider radical shift to renewables.
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We are Frustrated

- ▶ Criminal activities increase
- ▶ Class/racism load shading e.g. town ship blackouts without notices compare to upper-class areas e.g. Morningside; Westville and...
- ▶ One of the major reason for these continues increases it because of political & cronyism influence in the transportation of coal.
- ▶ I feel we are fighting the symptoms not the DISEASE
- ▶ Eskom's reps are hear to save their fat salaries & big bonuses.

SDCEA NERSA Presentation 2019

- ▶ Eskom's **VIRUS** (Passing the buck), South African citizens suffer and bear the consequences of incompetent executives of a spoilt parastatal. Eskom has been using rate payers as **CASH COW/ATM/BLESSER** for its bad historical decisions. However, to date, Eskom is still failing to deliver clean, affordable and accessible electricity to the South African citizens.
- ▶ For most consumers these tariffs have been hiked too fast and too high – contributing to **factory closures; job losses & Illegal connections.**

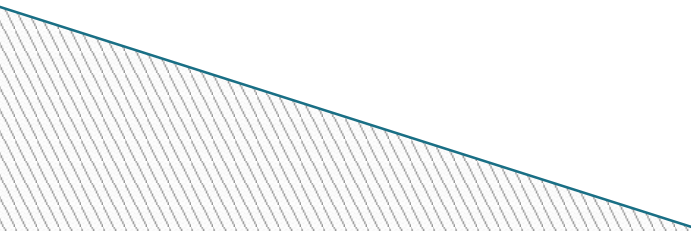
People are sick of you Eskom

- ▶ It was said and believed that the two new power-stations were built for South African citizens to have accessible and affordable electricity, but in reality 'Medupi's vast costs is passed on to citizens who can't afford to pay the loan initiated by Eskom.
- ▶ A leaked report in **2010** suggested that **BHP** pays (US) 12 c/kWh (below Eskom's production cost of 28 c/kWh) and this resulted to a **R9billion** loss to Eskom in **2008/9 FY**.

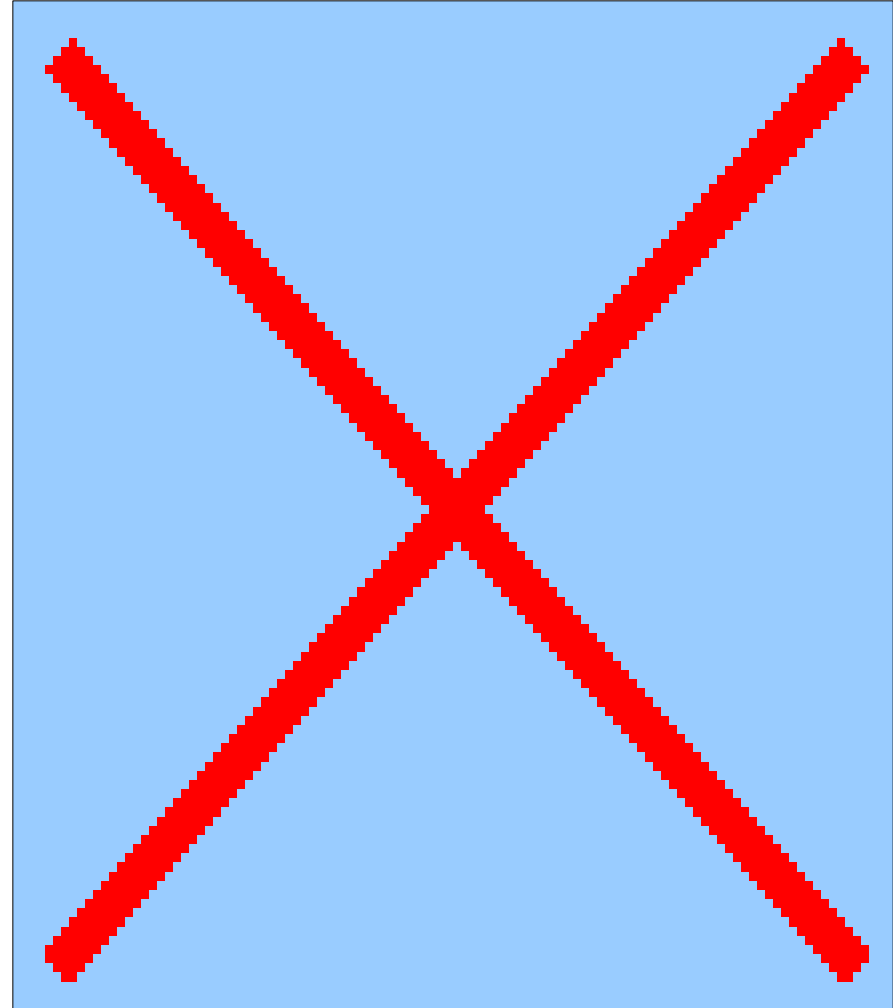
Research

- ▶ Energy walk survey at the South Durban Basin (Umlazi, Eziko, Clairwood and Wentworth)
- ▶ Focus:
 - Type of system used
 - Employment status
 - Disconnection
 - How do they feel about the system

Energy for Whom?

- ▶ Apartheid laws still exist to this date in S.A, design to cater for the ELITE and big cooperation NOT the masses of this country.
 - ▶ Disconnection – 60%
 - ❖ Millions of people's electricity are cut off due to a lack of affordability.
 - ❖ +/-10 million people do not have access to electricity to-date
 - ▶ **How do they feel about the system:**
 - Very expensive
 - Lack of Consultation (communities hall)
 - Health impacts
 - Renewable energy
 - Illegal connections
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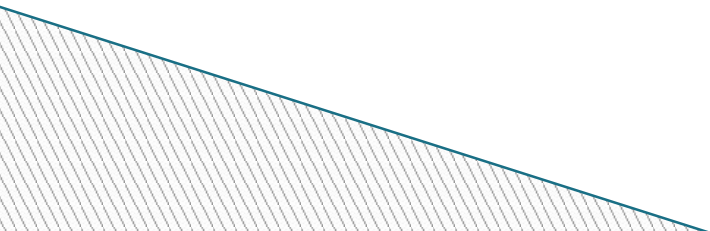
The 2011 Census revealed South African Households use:



Alternatives:

- ▶ Paraffin, candles, gas and wood
- ▶ negative impacts:
 - Indoor pollution
 - Burnt accidents
 - Death
 - Diseases such as TB
 - Repeated fires in shacks

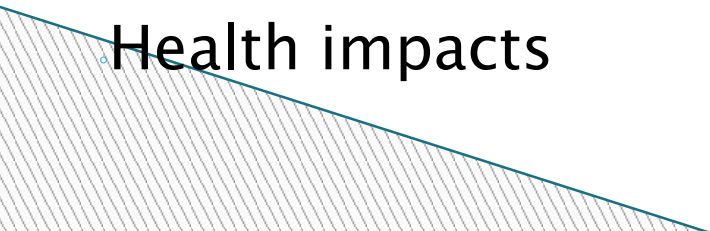
Impacts on the Environment

- ▶ Green house gas emissions(SO₂, PM, NO, etc.)
 - ▶ Water and Air Pollution
 - ▶ Acid mine drainage (AMD)
 - ▶ Climate change
 - ▶ Carbon emissions footprints
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Renewable energy

- ▶ Solar
 - ▶ Wind
 - ▶ Hydro
 - ▶ Geothermal
 - ▶ Bioenergy
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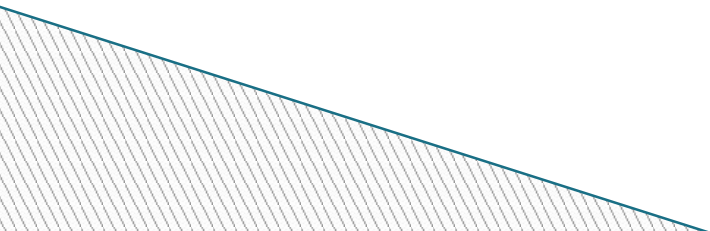
Why we reject this increase

- ▶ Disadvantaged communities can't afford
 - ▶ Eskom failed to embrace the use of renewable energy and provide sufficient funds to pursue various renewable options.
 - ▶ Eskom's proposals will lead to a huge increase in greenhouse gas emissions resulting in pollution and climate change
 - ▶ Eskom's proposal will lead to:
 - Job loss
 - Illegal connections
 - Food hike
 - Health impacts
- 


Why we reject this increase

- ▶ Special Pricing Agreements (SPA)
- ▶ Considering secretive pricing deals which was carried over from the apartheid state and renewed by a democratic state with major energy users (BHP Billiton)
- ▶ The real beneficiaries of Eskom are **BHP, Anglo, Arcelor**, & other, make profits and send it abroad, hence putting extreme pressure on current account deficit
- ▶ Normal industrial rate 16 c/kWh cheapest in the world in 2007 – largest consumers are smelters in RB & Vaal supplied below this price
- ▶ Residents pay up to +– 7 times more per unit of electricity than big business therefore cross subsidizing industry. ???

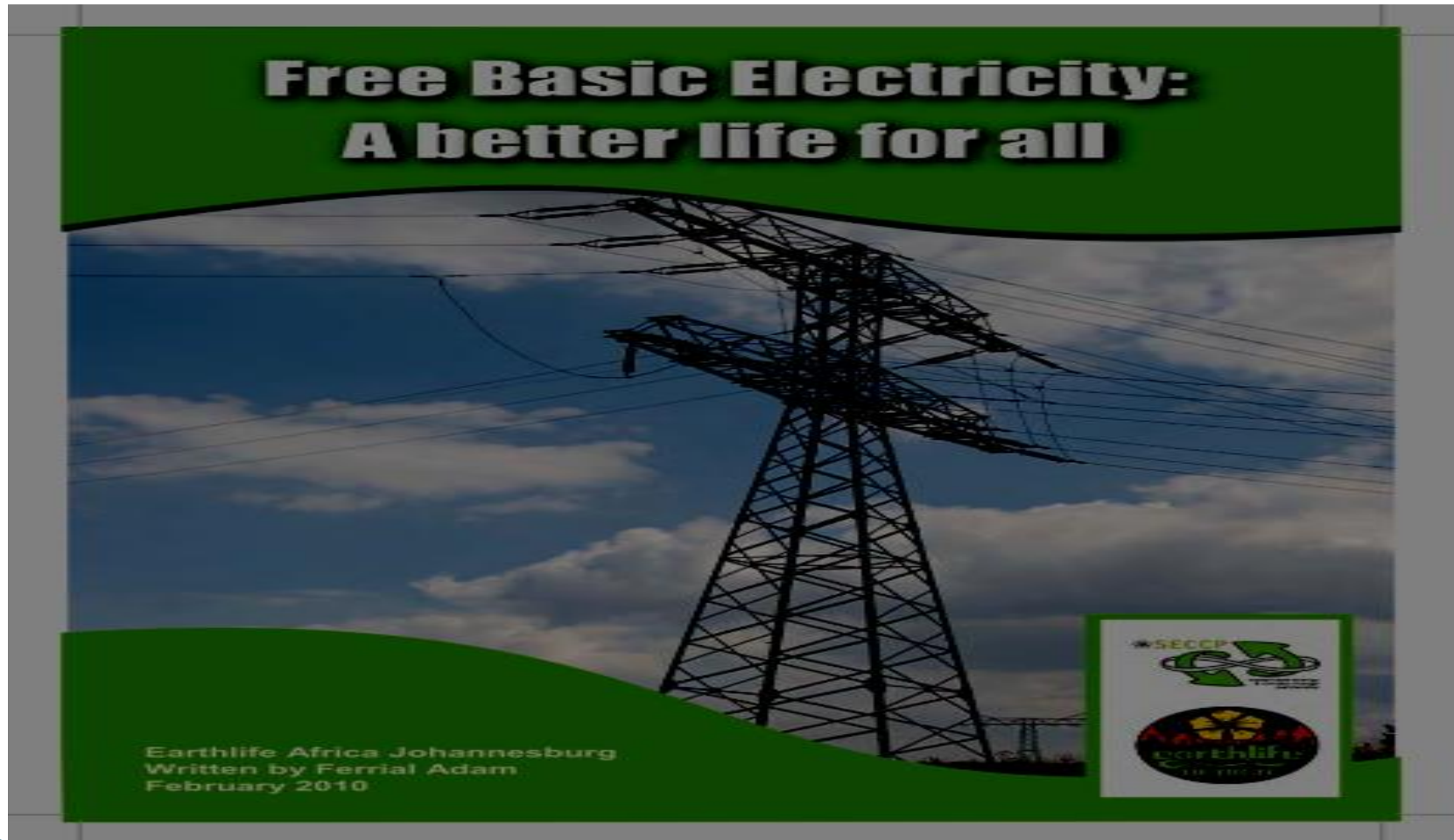
Conclusion

- ▶ We as an NGO/CBO representing communities in Durban and the broader KZN mostly feel that Eskom should **NOT** be provided with any tariff increases at this time.
 - ▶ Calls for the repudiation without compensation of the special pricing agreement with BHP Billiton
 - ▶ Calls on NERSA to consider a financial scrutiny on operational cost of Eskom, as a failing disgrace parastatal.
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Conclusion

- Eskom needs to go back to the drawing board with an objective and sober plan
 - Eskom's audacity in refusing to make progressive plans to make radical shift to renewables, unacceptable
 - Commission of inquiry into the state capture – Busasa
 - Commission of inquiry is needed for Eskom
 - Eskom you are Professional THIEVES, milking the company properly
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There is nothing for nothing it a system



Thank

you

