



CONSULTATION PAPER ON ESKOM'S PROPOSED TWO-YEAR PILOT TARIFF FOR CRYPTOCURRENCY MINING AND OTHER FLEXIBLE-LOAD CUSTOMERS

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Contents

1. Purpose.....	3
2. Executive Summary	3
3. Legal Context	4
4. Background.....	4
5. Summary of the Application.....	6
6. Rationale for the Development of Pilot Tariff	7
7. Customer Requests, Market Interest and Operational Considerations.....	8
8. Eskom Research Findings	9
9. Proposed Tariff Structure.....	10
10. Proposed Time-of-Use Profile for the Pilot.....	10
11. Key Stakeholder Questions.....	11
12. Timelines for Consideration and Approval.....	14

1. PURPOSE

- 1.1 This consultation paper aims to solicit written comments from stakeholders and interested and affected parties on Eskom's proposed two-year pilot tariff applicable to cryptocurrency mining and other qualifying flexible customers.

2. EXECUTIVE SUMMARY

- 2.1 Cryptocurrency mining has evolved into an energy-intensive industrial activity that can both challenge and support electricity-system stability. If unmanaged, cryptocurrency mining may place additional pressure on system capacity, increase emissions and create pricing distortions. However, if appropriately managed, flexible loads such as cryptocurrency mining loads may help absorb surplus generation, reduce renewable-energy curtailment and support the efficient operation of the electricity system.
- 2.2 Cryptocurrency mining involves the use of specialised computing equipment to solve complex cryptographic problems associated with verifying and adding transactions to a blockchain. In proof-of-work systems such as Bitcoin, miners compete to solve a computational problem by repeatedly testing different values, including a value known as a 'nonce', until a valid hash satisfying the network's difficulty target is produced.
- 2.3 The successful miner is generally entitled to add a new block to the blockchain and receives a block reward, together with applicable transaction fees. The process requires substantial computational capacity and, consequently, significant electricity consumption.
- 2.4 Based on data for 2024 and 2025, the global distribution of Bitcoin-mining activity has been concentrated in several countries, including the United States, China and Kazakhstan. Following China's 2021 restrictions on cryptocurrency mining, the geographic distribution of mining activity changed significantly.
- 2.5 Eskom has proposed a two-year pilot tariff aimed primarily at new, high-load and flexible customers, including cryptocurrency mining operations. The proposed tariff is intended to test whether a differentiated tariff structure can encourage consumption during periods of surplus electricity availability while discouraging consumption during periods of system constraint and peak demand.
- 2.6 Eskom's application is informed by generation-production planning and National Transmission Company South Africa (NTCSA) system studies indicating periods of substantial surplus energy, particularly during periods of high photovoltaic (PV) generation and low demand. The proposed pilot seeks to provide a mechanism through which flexible loads can consume energy that might otherwise be curtailed, while generating incremental revenue for Eskom.
- 2.7 The proposed pilot would apply for 24 months and would incorporate time-of-use (TOU) pricing and location-based pricing signals, with the applicable electricity price determined by the voltage category, transmission zone and operating period.
- 2.8 Stakeholders are invited to comment on the appropriateness of the proposed pilot, its eligibility criteria, anticipated system impacts, economic benefits and revenue-neutrality.

3. LEGAL CONTEXT

- 3.1 The National Energy Regulator of South Africa (NERSA) is a regulatory authority established as a juristic person in terms of section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004). NERSA regulates the electricity, piped-gas and petroleum-pipelines industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) ('the ERA'), the Gas Act, 2001 (Act No. 48 of 2001) and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).
- 3.2 In exercising its functions in relation to licence conditions concerning the setting or approval of prices, charges and tariffs charged by licensees, as contemplated in section 14(1)(d) of the ERA, NERSA is required, in terms of section 15(1) of the ERA, among other things, to:
 - 3.2.1 enable an efficient licensee to recover the full cost of the licensed activity;
 - 3.2.2 allow a reasonable return proportionate to the risk of the licensed activity;
 - 3.2.3 provide for or prescribe incentives for continued improvement of the technical and economic efficiency with which services are to be provided, where appropriate;
 - 3.2.4 avoid undue discrimination between customer categories;
 - 3.2.5 permit the cross-subsidisation of tariffs to certain classes of customers; and
 - 3.2.6 have regard to the need to ensure security of supply, diversity of supply and the promotion of renewable energy.
- 3.3 The proposed pilot tariff must therefore be considered within the broader regulatory principles of cost recovery, reasonable return, economic efficiency, non-discrimination, transparency and security of supply.

4. BACKGROUND

- 4.1 On 6 March 2026, Eskom submitted an application to NERSA requesting approval for a two-year pilot tariff for cryptocurrency mining and other qualifying customers. The purpose of the application is to introduce a differentiated electricity-pricing structure for high-energy-use customers on a trial basis.
- 4.2 Eskom indicated that the proposed tariff would apply to new loads that satisfy specified eligibility criteria. As these would constitute additional loads, the proposed pilot is intended to address system conditions and customer requirements that are not specifically accommodated within the existing tariff structures.
- 4.3 The NTCSA Medium-Term System Adequacy Outlook (MTSAO) assesses the ability of the power system to meet electricity demand over the medium term. The projections cited in Eskom's application indicate a significant decline in firm capacity between 2026 and 2030, alongside substantial growth in installed PV capacity. The resulting generation profile is expected to create periods of increased daytime energy surplus and potential renewable-energy curtailment.
- 4.4 Eskom's generation-production planning and NTCSA studies indicate periods of significant surplus electricity availability. Eskom estimates that surplus capacity may range between approximately 5 000 MW and 7 000 MW during certain periods, driven primarily by increased daytime PV generation and periods of low demand at night.

- 4.5 Eskom indicates that more than 5 TWh of energy could potentially be curtailed in 2028 under the scenarios considered. Flexible loads that can increase consumption during surplus periods could reduce curtailment and improve utilisation of the electricity system.
- 4.6 Curtailment represents a potential economic inefficiency where energy that could otherwise have been consumed is not delivered to customers. Where the system has the ability to accommodate additional flexible demand without adversely affecting system security, such demand could provide an opportunity for Eskom to monetise otherwise unused system capacity.
- 4.7 Flexible loads such as cryptocurrency mining operations have several characteristics that distinguish them from conventional industrial and mining loads and may make them suitable for a flexible-load pilot:
- 4.7.1 **Flexible and interruptible load:** Cryptocurrency mining demand can be rapidly reduced or increased, subject to the operational requirements of the mining facility.
 - 4.7.2 **Location flexibility:** Mining facilities may, subject to network and connection requirements, be located in areas where electricity supply is available or where additional demand could assist with the utilisation of available capacity.
 - 4.7.3 **Tolerance for non-firm supply:** Certain cryptocurrency mining operations may be able to operate under curtailment, off-peak-only or dynamic-pricing arrangements.
 - 4.7.4 **Rapid deployment and scalability:** Containerised mining infrastructure can potentially be deployed and expanded relatively quickly compared with conventional large industrial projects. This characteristic may assist Eskom in testing alternative tariff structures within a controlled pilot environment.
 - 4.7.5 **Limited displacement of existing customers:** The pilot is intended to accommodate additional demand during periods of available capacity and should not displace existing customers or compromise the security of supply to existing customers.
 - 4.7.6 **Incremental revenue opportunity:** Even where discounted energy rates apply during surplus periods, additional consumption may enable Eskom to generate revenue from capacity and energy that could otherwise remain unused or be curtailed.
- 4.8 Eskom proposes a 24-month pilot period to test the feasibility, operational impacts and commercial sustainability of the proposed tariff structure.
- 4.9 Following consideration of stakeholder comments, NERSA will conduct a public hearing on the key issues identified during the consultation process.
- 4.10 Eskom indicated that it has received requests from prospective cryptocurrency mining customers, including Bitcoin-mining operations, for preferential electricity tariffs.
- 4.11 Although negotiated pricing agreements (NPAs) provide a mechanism for tariff deviations in specified circumstances, Eskom indicated that the existing NPA framework is principally intended to support existing customers facing financial distress or requiring assistance to remain globally competitive. Eskom therefore considers that the existing NPA framework is not the appropriate mechanism for new market entrants seeking preferential tariffs.
- 4.12 The proposed pilot is consequently intended to provide a transparent and regulated framework through which the potential system and economic benefits of serving flexible, energy-intensive loads can be assessed.

5. SUMMARY OF THE APPLICATION

- 5.1 Eskom has received requests from prospective cryptocurrency mining customers (e.g. Bitcoin mining operations) for preferential electricity tariffs.
- 5.2 Eskom has identified periods of excess generation capacity, particularly during daytime periods of high renewable-energy production and during late-night and early-morning periods of low demand.
- 5.3 Several customers, including cryptocurrency mining operators, have approached Eskom to utilise this excess capacity and have requested reduced electricity tariffs.
- 5.4 Planning studies conducted by the NTCSA indicate significant surplus capacity during certain periods in the coming years. Eskom estimates that approximately 5 000 MW to 7 000 MW of excess capacity may be available during certain periods, particularly during the daytime.
- 5.5 Eskom indicated that the proposed tariff changes have been informed by its 2024/25 cost-to-serve study. The broader tariff restructuring programme seeks to address historical misalignments between Eskom's cost structure and revenue recovery and to progressively unbundle tariff components.
- 5.6 Under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), Eskom has contractual obligations in respect of contracted energy. During periods of excess generation, energy may consequently be curtailed while certain contractual and system costs remain payable.
- 5.7 The proposed pilot tariff is intended to incentivise consumption during periods of excess supply and discourage consumption during periods of peak demand or system constraint. The objective is to improve system utilisation while supporting cost recovery.
- 5.8 The MTSAO assesses the power system's ability to meet electricity demand over the period 2026 to 2030. Eskom's application indicates that the study projects a decline in firm capacity alongside substantial growth in renewable-generation capacity.
- 5.9 Increasing solar PV penetration may result in significant daytime energy surpluses. The application identifies 2028 as a potentially significant year for energy curtailment, with more than 5 TWh of energy potentially being curtailed under the relevant scenario.
- 5.10 The changing generation profile also requires conventional generation, including coal-fired generation, to operate at lower output during periods of high renewable generation and subsequently increase output during evening demand peaks. This daily cycling may place additional operational requirements on the conventional generation fleet.
- 5.11 Cryptocurrency mining is, fundamentally, an energy-intensive computational activity in which electricity is converted into computational output and, ultimately, cryptocurrency and transaction-fee revenue.
- 5.12 The mining process can be summarised as follows:
 - 5.12.1 Computational power is used to solve cryptographic problems associated with validating transactions and adding blocks to a blockchain.
 - 5.12.2 In proof-of-work systems, miners compete to produce a valid block.
 - 5.12.3 The successful miner receives the applicable block reward and transaction fees.
 - 5.12.4 Mining operations require high-performance specialised hardware, including application-specific integrated circuits (ASICs), which consume substantial amounts of electricity.

- 5.12.5 Electricity is therefore one of the principal operating costs of a cryptocurrency mining facility.
- 5.12.6 Mining operations consequently tend to seek locations and electricity arrangements that provide competitively priced and reliable electricity.
- 5.13 International experience indicates that flexible cryptocurrency mining loads can, under appropriate regulatory and operational conditions, contribute to the utilisation of surplus electricity. Conversely, poorly managed mining activity can increase electricity demand during constrained periods and may have negative environmental and system impacts.

6. RATIONALE FOR THE DEVELOPMENT OF PILOT TARIFF

6.1 Standard Tariff (Default)

- 6.1.1 Existing standard tariffs are generally structured around established customer categories and conventional load profiles. Eskom considers that these tariffs may not fully accommodate the operational characteristics of highly flexible, energy-intensive cryptocurrency mining loads.
- 6.1.2 Because electricity constitutes a significant proportion of the operating costs of cryptocurrency mining facilities, the commercial viability of these operations is particularly sensitive to electricity prices and the timing of consumption.

6.2 Negotiated Pricing Agreements

- 6.2.1 NPAs provide a mechanism for tariff deviations in specified circumstances. However, Eskom indicated that the existing framework is primarily intended for existing customers requiring financial support or assistance to remain globally competitive rather than new market entrants.
- 6.2.2 Expanding the NPA framework to accommodate new cryptocurrency mining entrants would require consideration of the applicable policy framework, including the economic benefits associated with such customers, potential employment creation and broader system benefits.
- 6.2.3 A further consideration is whether discounted tariffs could result in a revenue shortfall that would ultimately have to be recovered from other customer categories. This raises issues relating to tariff equity, transparency and the avoidance of unintended cross-subsidies.

6.3 Development of a New Tariff

- 6.3.1 A new, non-discriminatory tariff structure tailored to high-load, flexible customers is proposed as the most appropriate option. This tariff would incorporate elements such as dynamic pricing, interruptibility and locational signals to better align demand with periods of excess supply and address grid constraints.
- 6.3.2 The proposed tariff could incorporate:
- 6.3.2.1 time-differentiated pricing;
 - 6.3.2.2 interruptibility or demand-response requirements;
 - 6.3.2.3 location-based pricing signals;

- 6.3.2.4 minimum operational requirements;
- 6.3.2.5 conditions relating to system constraints; and
- 6.3.2.6 other mechanisms designed to align consumption with periods of surplus electricity availability.
- 6.3.3 The proposed tariff would provide defined operating windows of approximately 12 to 16 hours per day during periods of excess generation and lower demand, thereby encouraging participating customers to align their electricity consumption with system availability.
- 6.3.4 Higher tariffs would apply during specified peak periods to discourage consumption when the electricity system is constrained. Location-based pricing differentials may also apply, and participating customers may be required to participate in demand-response programmes.
- 6.3.5 A 24-month pilot is proposed to assess the feasibility and performance of the tariff. The results of the pilot would inform the design and potential implementation of a future standard tariff, subject to the necessary regulatory approvals.

7. CUSTOMER REQUESTS, MARKET INTEREST AND OPERATIONAL CONSIDERATIONS

- 7.1 Two cryptocurrency mining companies have expressed interest in connecting to Eskom's network, with combined initial demand of approximately 10 MW and potential expansion of up to 500 MW.
- 7.2 These operations are characterised by flexible, containerised infrastructure and a willingness, subject to technical and commercial feasibility, to locate near generation facilities such as Grootvlei Power Station. The applicants have also indicated potential ancillary community-development initiatives.
- 7.3 Cryptocurrency mining operations typically use ASIC-based hardware and are optimised for high utilisation. However, their load can be reduced or suspended during peak-price periods or periods of system constraint.
- 7.4 A minimum operational runtime of approximately 12 to 16 hours per day is generally required for commercial viability, depending on electricity prices, cryptocurrency prices, network difficulty, hardware efficiency and other operating costs.
- 7.5 During periods of surplus generation, cryptocurrency mining may be able to operate for shorter periods while remaining commercially viable, depending on the applicable tariff and operating conditions.
- 7.6 Indicative tariff expectations vary among market participants. One operator proposed a significantly reduced base tariff combined with a profit-sharing mechanism, while another indicated that a tariff of approximately R1.30/kWh, combined with a 14 to 16-hour daily operating window, could be commercially viable and sustainable.
- 7.7 These indications are subject to the commercial assumptions of the individual operators and should not be regarded as independent evidence of the long-term financial viability of cryptocurrency mining under the proposed tariff.

8. ESKOM RESEARCH FINDINGS

8.1 Eskom Generation Production Planning Results

- 8.1.1 Eskom Generation conducted a production-planning assessment to determine whether sufficient generation capacity would be available to accommodate additional cryptocurrency mining loads.
- 8.1.2 The assessment considered key developments in the electricity supply industry, including rooftop PV adoption, electric-vehicle demand, wheeling arrangements and the termination of the Mozal agreement.
- 8.1.3 Using the relevant forecasts and assumptions regarding the Energy Availability Factor (EAF), new generation capacity, independent power producers (IPPs) and renewable-energy additions, Eskom's analysis indicates that sufficient capacity may be available during the study period to accommodate additional flexible loads.
- 8.1.4 The results of the Eskom study/research reflected the following:
 - 8.1.4.1 Unused coal capacity refers to coal-generation capacity that is available but is not required to meet system load at a particular time. A portion of this capacity may be required to provide operating reserves, including approximately 2 200 MW under the assumptions used in the analysis.
 - 8.1.4.2 The analysis was based on hourly unused coal-capacity data, with results presented by month for maximum, average and minimum capacity.
 - 8.1.4.3 For purposes of the analysis, off-peak periods refer to all hours outside the defined peak periods.
 - 8.1.4.4 The results indicate that, on average, approximately 7 000 MW of coal capacity may be unused.
 - 8.1.4.5 The availability of unused capacity varies over time, and there may be short periods during which unused capacity is materially lower.

8.2 NTCSA's Assessment of the Impact of Renewable Generation Capacity

- 8.2.1 The NTCSA analysis indicates potential renewable-energy curtailment of approximately 7 000 MW during certain daytime periods, primarily as a result of excess PV generation.
- 8.2.2 The system must subsequently accommodate the evening peak in demand, requiring conventional generation to increase output relatively rapidly. This changing generation profile may create operational challenges.
- 8.2.3 One potential mitigation strategy is the introduction of additional flexible demand during periods of excess PV generation and low demand.
- 8.2.4 Flexible, energy-intensive loads such as cryptocurrency mining operations may be well positioned to respond to these system conditions, provided that appropriate technical controls, contractual arrangements and tariff incentives are undertaken.
- 8.2.5 The actual extent to which cryptocurrency mining would reduce curtailment will depend on the location, size, operating profile and controllability of participating loads, as well as the availability of surplus generation at the relevant connection point.

9. PROPOSED TARIFF STRUCTURE

- 9.1 The proposed pilot tariff is designed to provide a differentiated average electricity price, incorporating location-based pricing and a time-of-use structure aligned with the objectives of the pilot.
- 9.2 The proposed tariff is based on the existing Megaflex Non-Local Authority (NLA) Framework. To achieve the target price range, adjustments would be made to the applicable energy rates and legacy tariff components.
- 9.3 Under the proposed structure, the benchmark tariff for customers in the highest-voltage category located in the southern region is approximately **R1.20/kWh**. This approach is intended to be consistent with emerging considerations relating to NTCSA nodal pricing.
- 9.4 Peak-period rates would be structured at a sufficiently high level to discourage consumption during periods of peak system demand.
- 9.5 Customers supplied at voltages below 500 V would be excluded from the pilot tariff.
- 9.6 Tariff adjustments applicable to other transmission zones and voltage categories would be escalated in accordance with the applicable Megaflex NLA Framework.
- 9.7 For the duration of the pilot, and pending the finalisation of NTCSA nodal pricing studies, the existing transmission zone differentials would be adjusted to incentivise the allocation of additional flexible load in the southern regions.
- 9.8 This approach may be reviewed and adjusted during or following the pilot, taking into account the outcomes of the pilot and the finalisation of the relevant NTCSA pricing studies.
- 9.9 The final tariff schedule, including all applicable energy, demand, capacity, network, service and other charges, should be published as part of the approval documentation to enable stakeholders to assess the complete cost of participation.

10. PROPOSED TIME-OF-USE PROFILE FOR THE PILOT

		Current Megaflex TOU Hours					
		Low Demand Season			High Demand Season		
Hours		Weekday	Saturday	Sunday/P	Weekday	Saturday	Sunday/P
From	To						
24	1	OP	OP	OP	OP	OP	OP
1	2	OP	OP	OP	OP	OP	OP
2	3	OP	OP	OP	OP	OP	OP
3	4	OP	OP	OP	OP	OP	OP
4	5	OP	OP	OP	OP	OP	OP
5	6	OP	OP	OP	OP	OP	OP
6	7	S	OP	OP	P	OP	OP
7	8	P	S	OP	P	S	OP
8	9	P	S	OP	S	S	OP
9	10	S	S	OP	S	S	OP
10	11	S	S	OP	S	S	OP
11	12	S	S	OP	S	S	OP
12	13	S	OP	OP	S	OP	OP
13	14	S	OP	OP	S	OP	OP
14	15	S	OP	OP	S	OP	OP
15	16	S	OP	OP	S	OP	OP
16	17	S	OP	OP	S	OP	OP
17	18	S	OP	OP	P	S	S
18	19	P	S	S	P	S	S
19	20	P	S	S	P	OP	OP
20	21	P	OP	OP	S	OP	OP
21	22	S	OP	OP	S	OP	OP
22	23	OP	OP	OP	OP	OP	OP
23	24	OP	OP	OP	OP	OP	OP

Figure 1: Current Megaflex TOU hours

		Proposed Crypto TOU Hours					
		Low Demand Season			High Demand Season		
Hours		Weekday	Saturday	Sunday/P	Weekday	Saturday	Sunday/P
From	To						
24	1	OP	OP	OP	OP	OP	OP
1	2	OP	OP	OP	OP	OP	OP
2	3	OP	OP	OP	OP	OP	OP
3	4	OP	OP	OP	OP	OP	OP
4	5	OP	OP	OP	OP	OP	OP
5	6	OP	OP	OP	OP	OP	OP
6	7	OP	OP	OP	P	OP	OP
7	8	P	S	OP	P	S	OP
8	9	P	S	OP	OP	S	OP
9	10	OP	OP	OP	OP	OP	OP
10	11	OP	OP	OP	OP	OP	OP
11	12	OP	OP	OP	OP	OP	OP
12	13	OP	OP	OP	OP	OP	OP
13	14	OP	OP	OP	OP	OP	OP
14	15	OP	OP	OP	OP	OP	OP
15	16	OP	OP	OP	S	OP	OP
16	17	S	OP	OP	S	OP	OP
17	18	S	OP	OP	P	S	S
18	19	P	S	S	P	S	S
19	20	P	S	S	P	OP	OP
20	21	P	OP	OP	S	OP	OP
21	22	S	OP	OP	OP	OP	OP
22	23	OP	OP	OP	OP	OP	OP
23	24	OP	OP	OP	OP	OP	OP

Figure 2: Proposed Crypto TOU hours

- 10.1 The proposed TOU profile is designed to incentivise consumption during periods of surplus daytime PV generation and during night-time off-peak periods, while providing participating customers with sufficient operating hours to remain commercially viable.
- 10.2 The proposed profile is intended to align customer consumption with periods during which the marginal system value of additional electricity consumption is lower.
- 10.3 The pilot tariff is deliberately structured to discourage customers from consuming electricity continuously across all hours. Customers who consume during high-cost peak periods would therefore face higher effective charges than customers who concentrate consumption within the designated surplus and off-peak periods.
- 10.4 The final TOU periods should be clearly specified in the approved tariff schedule and should be accompanied by appropriate metering and verification requirements.

11. KEY STAKEHOLDER QUESTIONS

- 11.1 NERSA invites stakeholders, interested and affected parties to provide written comments on the proposed pilot tariff. Stakeholders are encouraged to provide reasons and supporting evidence for their views and, where possible, to propose alternative approaches.

Stakeholder Question #1: Justification and Appropriateness of the Pilot

Eskom's rationale for undertaking the pilot is based on changes in the electricity system, including increased renewable-energy penetration, changing demand patterns and the potential availability of surplus generation during certain periods. Stakeholders should specifically comment on whether the proposed pilot addresses a demonstrated electricity system need and whether a pilot is preferable to using existing tariff structures or other demand-response mechanisms.

Is Eskom justified in undertaking a two-year pilot tariff for cryptocurrency mining and other qualifying flexible loads, having regard to projected electricity demand, generation availability, system adequacy and the public interest?

Stakeholder Question #2: Eligibility and Scope of the Pilot

The proposed tariff is intended to apply to cryptocurrency mining operations and other qualifying high-load, flexible customers. Stakeholders are invited to comment on minimum load requirements, voltage level, new-load status, location, financial capability, technical compliance, minimum investment, local economic benefits, demand-response capability and any other eligibility requirements.

Are the proposed eligibility criteria and scope of the pilot appropriate, and should cryptocurrency mining be treated as a distinct customer category, or should the tariff be available to all customers who meet defined technical and operational requirements?

Stakeholder Question #3: Tariff Design, Time-of-Use and Location-Based Pricing

The proposed tariff incorporates time-of-use and location-based pricing signals, with differentiated charges intended to encourage consumption during surplus periods and discourage consumption during specified peak or constrained periods. Stakeholders should comment on whether the proposed tariff principle provides sufficient incentives to shift consumption to surplus periods, whether peak-period rates adequately discourage consumption during constrained periods and whether the proposed location-based pricing approach is transparent and equitable.

Is the proposed tariff structure, including the TOU profile, location-based differentials and applicable energy, demand, capacity, network and service charges, appropriate and cost-reflective?

Stakeholder Question #4: System Security, Demand Response and Curtailment

The proposed pilot relies on the ability of participating customers to increase consumption during periods of surplus electricity availability and reduce or interrupt consumption during periods of system constraint. Stakeholders should consider whether mandatory demand-response capability, minimum curtailment requirements, response times, telemetry, metering, dispatch instructions and penalties for non-performance should form part of the pilot.

What technical, operational and contractual safeguards should be imposed to ensure that participating loads support rather than compromise system security and effectively contribute to the reduction of renewable-energy curtailment?

Stakeholder Question #5: Economic Benefits and Tariff Equity

The proposed pilot may generate benefits through increased electricity utilisation, reduced renewable-energy curtailment, incremental Eskom revenue, investment, employment and local economic development. However, preferential tariffs may also create risks of unintended cross-subsidisation or costs being shifted to other customer categories. Stakeholders are invited to identify the economic indicators that NERSA should use to evaluate the pilot, including incremental revenue, avoided curtailment, system costs, network impacts, investment, employment and other measurable benefits.

Are the projected economic and public-interest benefits of the pilot realistic and sufficient to justify the proposed tariff differentiation, and does the proposed tariff avoid undue discrimination or unintended cross-subsidisation?

Stakeholder Question #6: Revenue Neutrality and Cost Allocation

Eskom has indicated that the pilot should be revenue-neutral for the 2026/27 financial year. Revenue neutrality will depend on participating load, operating hours, TOU periods, customer response and the treatment of fixed and variable costs. Eskom should demonstrate the methodology and assumptions used to establish revenue neutrality and explain how deviations between forecast and actual consumption and revenue will be monitored and addressed.

Is the proposed pilot tariff revenue-neutral and does it appropriately allocate the costs of supplying participating customers, including energy, generation, transmission, network, capacity and service costs?

Stakeholder Question #7: Environmental, Financial and Public-Interest Considerations

Cryptocurrency mining can result in significant electricity consumption and may have environmental, financial and broader public-interest implications. The extent of these impacts will depend on the source of electricity, operating profile, financial sustainability and ability of participating customers to respond to system requirements. Stakeholders should comment on whether employment, local procurement, investment, emissions and renewable-energy utilisation should form part of the eligibility or performance criteria.

What environmental, financial, social and public-interest safeguards should apply to participating customers, and what measures should be adopted to protect Eskom and existing electricity customers from non-payment, stranded infrastructure, premature closure or other risks?

Stakeholder Question #8: Monitoring, Duration, Review and Future Tariff Framework

The proposed pilot is intended to generate evidence to inform the possible development of a future tariff for flexible, energy-intensive customers. Stakeholders should comment on the information Eskom should report to NERSA, including participating loads, hourly consumption, demand-response events, renewable-energy curtailment, system impacts, revenue performance, customer payment performance, investment, employment and other relevant outcomes.

Is the proposed 24-month duration appropriate, and what monitoring, reporting, review and performance requirements should NERSA impose to determine whether the pilot should be continued, amended, terminated or converted into a permanent tariff category?

Stakeholder Question #9: Risk Allocation and Risk Management

The proposed pilot may expose Eskom, participating customers and other electricity users to financial, operational, technical, regulatory and market risks, including lower-than-expected participation, non-performance, non-payment, network constraints and underutilised infrastructure.

What are the key risks associated with the pilot, how should these risks be allocated between Eskom and participating customers, and what safeguards are required to prevent undue risks or costs from being transferred to existing electricity customers?

- 11.2 Stakeholders are encouraged to provide evidence-based submissions addressing the questions above and any other matter relevant to Eskom's proposed pilot tariff.

12. TIMELINES FOR CONSIDERATION AND APPROVAL

- 12.1 The process for the consultation and approval process is outlined in Table 1 below.

Table 1: The proposed consultation and approval process

Pilot Tariff for Crypto Currency Mining				
Task ID	Task Name	Start Date	End Date	Duration (working days)
1	Receipt of the Application from Eskom	Fri/ 06/03/2026	Fri/ 06/03/2026	1
2	Presentation of application by Eskom	Tue/ 17/03/2026	Tue/ 17/03/2026	1
3	Consultation paper approval by ELS of September 2026	Fri/ 18/09/2026	Fri/ 18/09/2026	1
4	Consultation Paper published	Mon/ 21/09/2026	Mon/ 21/09/2026	1
5	Receipt of Stakeholder Comments	Mon/ 21/09/2026	Wed/ 21/10/2026	30
6	Preparation of aide memoir	Wed/ 21/10/2026	Wed/ 28/10/2026	6
7	Public Hearings (Special ELS)	Tue/ 03/11/2026	Tue/ 03/11/2026	1
8	Analysis of stakeholder comments & compile of RFD	Tue/ 03/11/2026	Tue/ 10/11/2026	6
10	ELS Meeting for recommendation of the decision	Wed/ 18/11/2026	Wed/ 18/11/2026	1
11	ER Submission drafting	Wed/ 18/11/2026	Tue/ 24/11/2026	5
12	Special ER Submission decision	Sat/ 28/11/2026	Sat/ 28/11/2026	1
14	Communication of the ER Decision to the Licensee	Wed/ 02/12/2026	Wed/ 02/12/2026	1
15	Publication of NERSA decision	Mon/ 07/12/2026	Mon/ 07/12/2026	1
Total duration (working days)				197

12.2 Stakeholders are requested to comment, in writing, on the consultation paper regarding Eskom's proposed two-year pilot tariff for cryptocurrency mining and other customers. Written comments can be forwarded to pilotprojects@nersa.org.za hand-delivered to Kulawula House, 526 Madiba Street, Arcadia, Pretoria; or posted to PO Box 40343, Arcadia, 0083, Pretoria, South Africa. The closing date for the submission of comments is **23 October 2026 at 16:00**.

12.3 NERSA will collate all comments received. All comments will be taken into consideration when the decision is made. Public hearings will be held using MS Teams. Interested and affected parties may make presentations at the public hearings.

End.