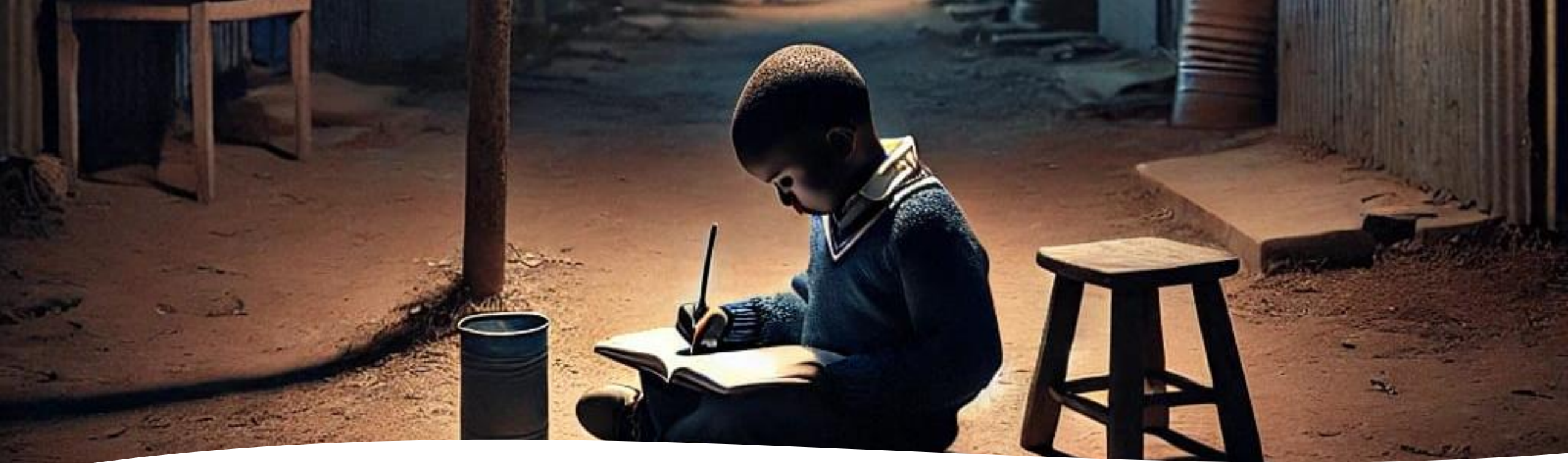




## Addressing ESKOM's Tariff Proposal and Energy Challenges

Presented by Tommy Diedericks, Founder of Renew Consulting





## The Current Dilemma

Good morning, everyone. Earlier this week, I reviewed ESKOM's latest statements and reflected on a question posed by NERSA. This inspired me to present a few critical points for consideration today.

One key issue ESKOM highlights is the concept of market elasticity—assuming the market can absorb tariff increases. However, a substantial portion of these increases stems from negotiated pricing agreements and commitments, as well as, providing free electricity to indigent communities. While these are important obligations, they reflect a deeper problem: Are we truly exploring sustainable solutions?

---

# An Opportunity for Change

South Africa is on the brink of an energy revolution. Across the country, we see individuals being upskilled, jobs being created, and new opportunities emerging. The energy sector has the potential to absorb excess workforce capacity from municipalities and ESKOM itself. This could be a lifeline for our country, where unemployment rates demand we protect and expand jobs, not reduce them.

I believe ESKOM must shift its approach. Instead of leaning on tariff increases, the organization should aim to be a part of the solution. ESKOM once enjoyed global recognition as the best utility in the world, providing some of the cheapest electricity. Today, we're left grappling with high costs that threaten our economy and deepen inequality.





## The Elephant in the Room

The cost of electricity is unfairly distributed. For example, wealthier areas often enjoy lower tariffs, while less affluent communities bear the brunt of high costs. This is unacceptable and perpetuates systemic inequality. Meanwhile, industries like mining and steel—which are critical to our economy—struggle to remain competitive due to soaring energy costs. Jobs are already being lost.

# A New Vision: Proposed Solution



## **Adopt a Single Tariff Structure**

A unified national tariff, adjusted to demand, can ensure fairness across all sectors and communities.



## **Focus on Renewable Energy**

ESKOM and the government should lead in renewable energy, installing solar farms and battery storage systems near less affluent areas. These projects can upskill local communities, create jobs, and bolster food security by integrating agricultural activities.



## **Collaborate for Economic Growth**

Work with energy experts and agri-forums to drive down costs, attract international investment, and revitalise industries. Let's aim to produce steel and other goods locally for export, strengthening our economy.



## **Address Municipal Debt**

Municipalities owe ESKOM over R90 billion. A new policy must address these arrears. For example, after three months of non-payment, a percentage of customers could be transitioned to ESKOM, ensuring accountability.

---

## A Call to Action

**We cannot rubber-stamp another tariff increase. Instead, let's demand innovative solutions:**

1. Long-term power purchase agreements to stabilise costs for industries.
2. Transparent contracts that align with global energy revolutions.
3. Strategies that prioritise job creation and affordable electricity for all.

Let's also hold landlords accountable for exploiting bylaw loopholes, ensuring tenants aren't overcharged for electricity generated at minimal cost. And let's invest every rand in upskilling communities and creating jobs, rather than perpetuating dependency.

## Consumption mix of different consumers

	Connection Size	Phases	Peak	STD	OP	Total KWH	KVA	NMD
Small Business	60	3	900	2400	2700	6000	20	30
KFC	250	3	3500	9000	12500	25000	75	80
Sit Down Restaurant	400	3	6000	16000	18000	40000	115	150
Large Clothing store	100	3	9000	24000	27000	60000	180	220
Viva Engineering	800	3	7280	18720	26000	52000	220	240
Large retail store	1000	3	27000	72000	81000	180000	450	550
Small Shopping Centre	1600	3	42500	114000	130000	286500	700	900
Shopping Mall	8000	3	380000	1020000	1150000	2550000	7000	8000
Munic Cost	100	3	3900000	10800000	15300000	30000000	80000	100

### Total Monthly Cost Current Tariffs

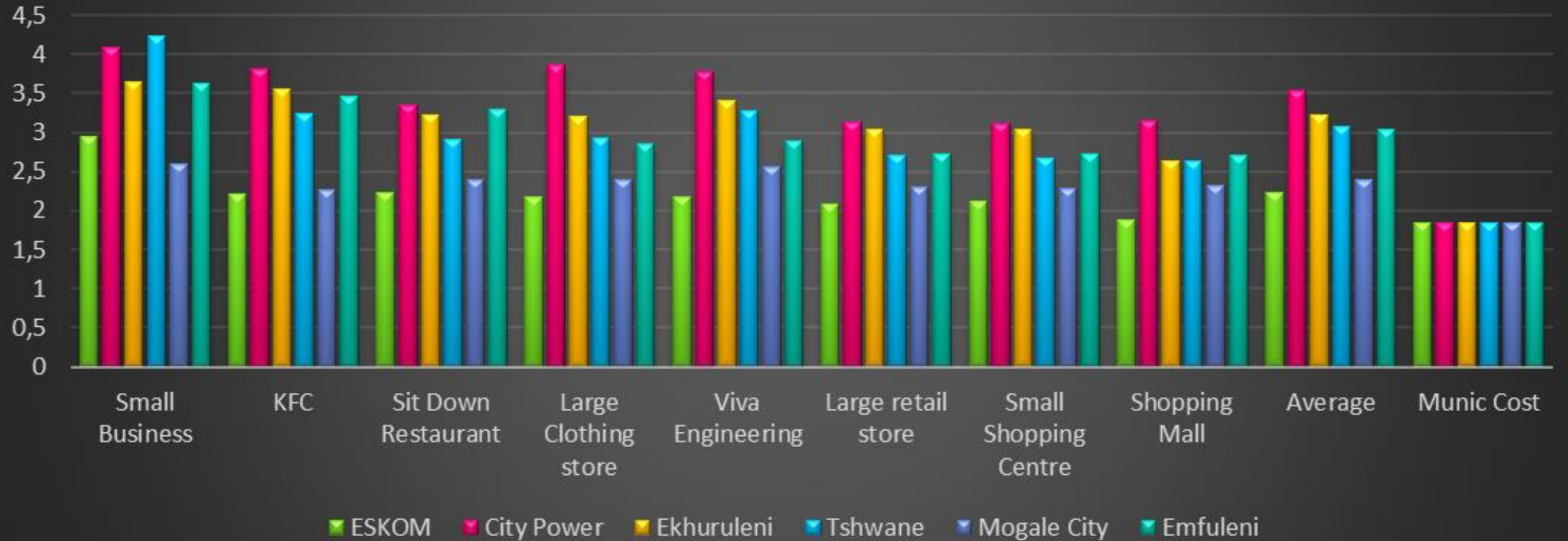
	ESKOM		City Power		Ekhuruleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	17 641	R	24 480	R	21 869	R	25 450	R	15 548	R	21 766
KFC	R	55 180	R	95 299	R	88 936	R	80 886	R	56 655	R	86 393
Sit Down Restaurant	R	88 878	R	133 780	R	128 726	R	116 604	R	95 408	R	132 108
Large Clothing store	R	130 563	R	231 764	R	192 090	R	175 084	R	143 957	R	171 148
Viva Engineering	R	113 232	R	196 399	R	176 618	R	170 641	R	133 213	R	150 095
Large retail store	R	375 970	R	564 490	R	548 198	R	486 858	R	414 177	R	491 273
Small Shopping Centre	R	604 209	R	889 054	R	868 441	R	765 425	R	653 979	R	779 195
Shopping Mall	R	4 797 316	R	8 011 219	R	6 731 253	R	6 695 959	R	5 909 328	R	6 907 202
Munic Cost	R	55 136 809	R	55 136 809	R	55 136 809	R	55 136 809	R	55 136 809	R	55 136 809

### Cost Per KWH Current Tariff

	ESKOM		City Power		Ekhuruleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	2,94	R	4,08	R	3,64	R	4,24	R	2,59	R	3,63
KFC	R	2,21	R	3,81	R	3,56	R	3,24	R	2,27	R	3,46
Sit Down Restaurant	R	2,22	R	3,34	R	3,22	R	2,92	R	2,39	R	3,30
Large Clothing store	R	2,18	R	3,86	R	3,20	R	2,92	R	2,40	R	2,85
Viva Engineering	R	2,18	R	3,78	R	3,40	R	3,28	R	2,56	R	2,89
Large retail store	R	2,09	R	3,14	R	3,05	R	2,70	R	2,30	R	2,73
Small Shopping Centre	R	2,11	R	3,10	R	3,03	R	2,67	R	2,28	R	2,72
Shopping Mall	R	1,88	R	3,14	R	2,64	R	2,63	R	2,32	R	2,71
Average	R	2,23	R	3,53	R	3,22	R	3,07	R	2,39	R	3,04
Munic Cost	R	1,84	R	1,84	R	1,84	R	1,84	R	1,84	R	1,84
Profit	R	0,39	R	1,69	R	1,38	R	1,24	R	0,55	R	1,20



## Current Cost Per KWH



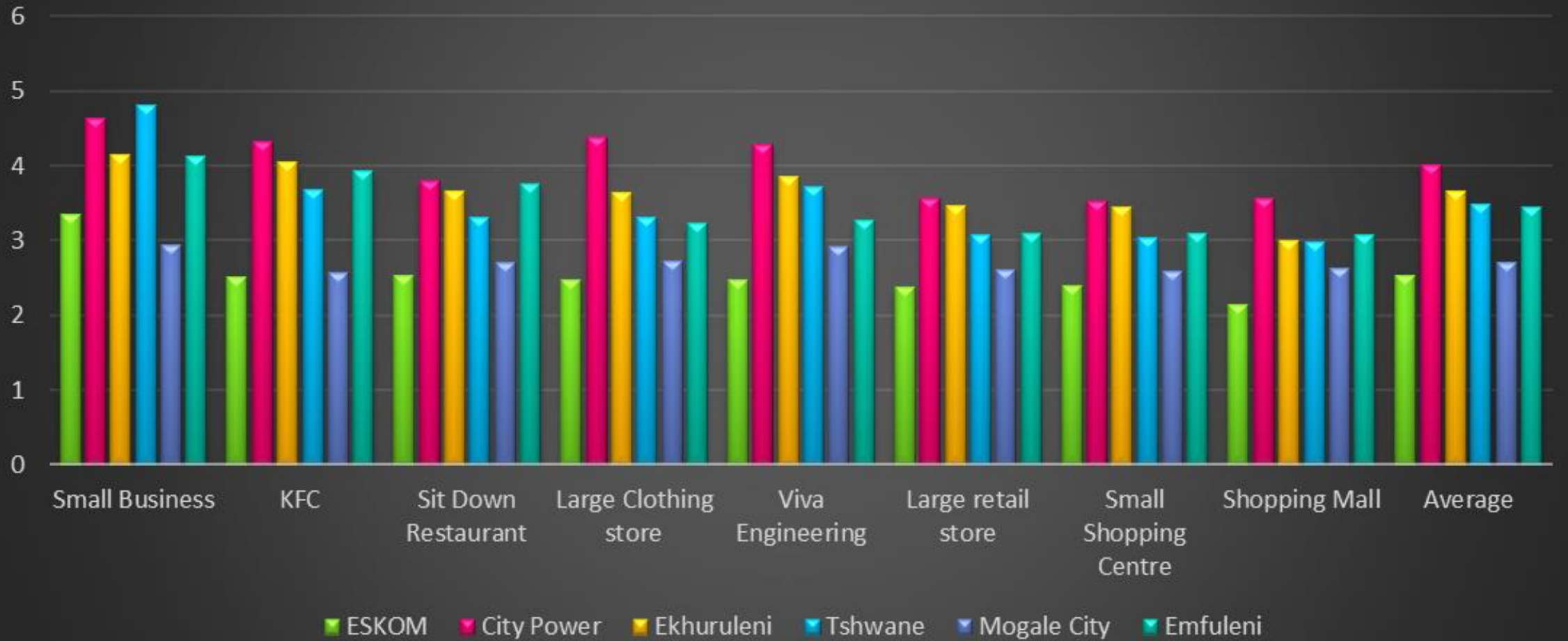
**Total Monthly Cost with 36,1% increase 2025/2026**

	ESKOM		City Power		Ekhuruleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	20 041	R	27 812	R	24 845	R	28 914	R	17 664	R	24 728
KFC	R	62 690	R	108 270	R	101 040	R	91 895	R	64 365	R	98 151
Sit Down Restaurant	R	100 974	R	151 987	R	146 246	R	132 473	R	108 393	R	150 088
Large Clothing store	R	148 332	R	263 307	R	218 234	R	198 913	R	163 550	R	194 442
Viva Engineering	R	128 643	R	223 129	R	200 655	R	193 865	R	151 344	R	170 523
Large retail store	R	427 139	R	641 317	R	622 808	R	553 120	R	470 547	R	558 135
Small Shopping Centre	R	686 442	R	1 010 055	R	986 636	R	869 599	R	742 985	R	885 243
Shopping Mall	R	5 450 231	R	9 101 546	R	7 647 376	R	7 607 279	R	6 713 587	R	7 847 272
Munic Cost	R	62 640 929	R	62 640 929	R	62 640 929	R	62 640 929	R	62 640 929	R	62 640 929

**Cost Per KWH 36,1%**

	ESKOM		City Power		Ekhuruleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	3,34	R	4,64	R	4,14	R	4,82	R	2,94	R	4,12
KFC	R	2,51	R	4,33	R	4,04	R	3,68	R	2,57	R	3,93
Sit Down Restaurant	R	2,52	R	3,80	R	3,66	R	3,31	R	2,71	R	3,75
Large Clothing store	R	2,47	R	4,39	R	3,64	R	3,32	R	2,73	R	3,24
Viva Engineering	R	2,47	R	4,29	R	3,86	R	3,73	R	2,91	R	3,28
Large retail store	R	2,37	R	3,56	R	3,46	R	3,07	R	2,61	R	3,10
Small Shopping Centre	R	2,40	R	3,53	R	3,44	R	3,04	R	2,59	R	3,09
Shopping Mall	R	2,14	R	3,57	R	3,00	R	2,98	R	2,63	R	3,08
Average	R	2,53	R	4,01	R	3,65	R	3,49	R	2,71	R	3,45
Munic Cost	R	2,09	R	2,09	R	2,09	R	2,09	R	2,09	R	2,09
Profit	R	0,44	R	1,92	R	1,57	R	1,40	R	0,63	R	1,36

## KWh Cost @ 36% increase



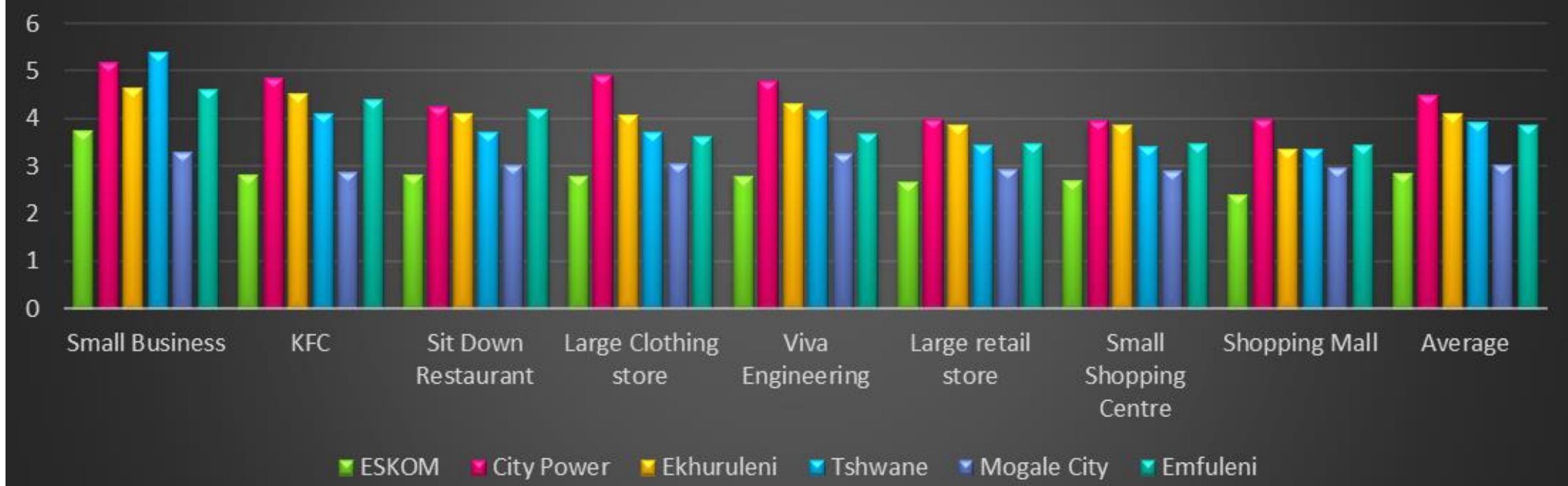
**Total Monthly Cost with 11,8% increase 2026/2027**

	ESKOM		City Power		Ekurhuleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	22 406	R	31 093	R	27 777	R	32 325	R	19 749	R	27 646
KFC	R	70 088	R	121 045	R	112 963	R	102 739	R	71 960	R	109 733
Sit Down Restaurant	R	112 889	R	169 922	R	163 503	R	148 105	R	121 184	R	167 798
Large Clothing store	R	165 835	R	294 377	R	243 985	R	222 385	R	182 849	R	217 386
Viva Engineering	R	143 823	R	249 458	R	224 333	R	216 741	R	169 202	R	190 645
Large retail store	R	477 541	R	716 992	R	696 299	R	618 388	R	526 071	R	623 995
Small Shopping Centre	R	767 442	R	1 129 241	R	1 103 059	R	972 212	R	830 658	R	989 702
Shopping Mall	R	6 093 358	R	10 175 528	R	8 549 767	R	8 504 937	R	7 505 791	R	8 773 250
Munic Cost	R	70 032 558	R	70 032 558	R	70 032 558	R	70 032 558	R	70 032 558	R	70 032 558

**Cost Per KWH 11,8%**

	ESKOM		City Power		Ekurhuleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	3,73	R	5,18	R	4,63	R	5,39	R	3,29	R	4,61
KFC	R	2,80	R	4,84	R	4,52	R	4,11	R	2,88	R	4,39
Sit Down Restaurant	R	2,82	R	4,25	R	4,09	R	3,70	R	3,03	R	4,19
Large Clothing store	R	2,76	R	4,91	R	4,07	R	3,71	R	3,05	R	3,62
Viva Engineering	R	2,77	R	4,80	R	4,31	R	4,17	R	3,25	R	3,67
Large retail store	R	2,65	R	3,98	R	3,87	R	3,44	R	2,92	R	3,47
Small Shopping Centre	R	2,68	R	3,94	R	3,85	R	3,39	R	2,90	R	3,45
Shopping Mall	R	2,39	R	3,99	R	3,35	R	3,34	R	2,94	R	3,44
Average	R	2,83	R	4,49	R	4,09	R	3,90	R	3,03	R	3,86
Munic Cost	R	2,33	R	2,33	R	2,33	R	2,33	R	2,33	R	2,33
Profit	R	0,49	R	2,15	R	1,75	R	1,57	R	0,70	R	1,52

## Cost per KWH 2026/2027





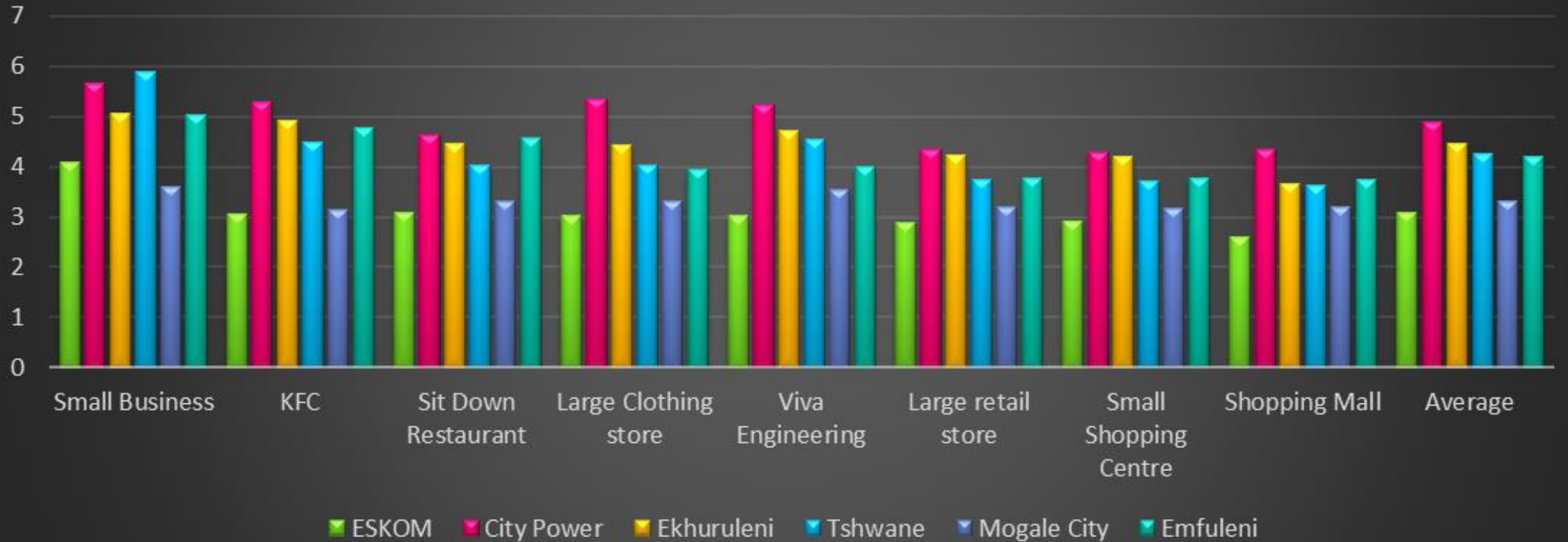
**Total Monthly Cost with 9,1% increase 2027/2028**

	ESKOM		City Power		Ekurhuleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	24 445	R	33 923	R	30 304	R	35 267	R	21 546	R	30 162
KFC	R	76 466	R	132 061	R	123 242	R	112 088	R	78 509	R	119 718
Sit Down Restaurant	R	123 162	R	185 385	R	178 382	R	161 583	R	132 212	R	183 068
Large Clothing store	R	180 926	R	321 165	R	266 188	R	242 622	R	199 488	R	237 168
Viva Engineering	R	156 911	R	272 159	R	244 747	R	236 465	R	184 600	R	207 993
Large retail store	R	520 998	R	782 238	R	759 662	R	674 661	R	573 944	R	680 779
Small Shopping Centre	R	837 279	R	1 232 002	R	1 203 437	R	1 060 683	R	906 248	R	1 079 765
Shopping Mall	R	6 647 854	R	11 101 501	R	9 327 796	R	9 278 887	R	8 188 818	R	9 571 616
Munic Cost	R	76 405 521	R	76 405 521	R	76 405 521	R	76 405 521	R	76 405 521	R	76 405 521

**Cost Per KWH 9,1%**

	ESKOM		City Power		Ekurhuleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	4,07	R	5,65	R	5,05	R	5,88	R	3,59	R	5,03
KFC	R	3,06	R	5,28	R	4,93	R	4,48	R	3,14	R	4,79
Sit Down Restaurant	R	3,08	R	4,63	R	4,46	R	4,04	R	3,31	R	4,58
Large Clothing store	R	3,02	R	5,35	R	4,44	R	4,04	R	3,32	R	3,95
Viva Engineering	R	3,02	R	5,23	R	4,71	R	4,55	R	3,55	R	4,00
Large retail store	R	2,89	R	4,35	R	4,22	R	3,75	R	3,19	R	3,78
Small Shopping Centre	R	2,92	R	4,30	R	4,20	R	3,70	R	3,16	R	3,77
Shopping Mall	R	2,61	R	4,35	R	3,66	R	3,64	R	3,21	R	3,75
Average	R	3,08	R	4,89	R	4,46	R	4,26	R	3,31	R	4,21
Munic Cost	R	2,55	R	2,55	R	2,55	R	2,55	R	2,55	R	2,55
Profit	R	0,54	R	2,35	R	1,91	R	1,71	R	0,76	R	1,66

## Electricity Cost Per KWH 2027/2028



# Suggested Tariff Structure

- **Indigen Residential:** The right to service and electricity. And a focus on renewable energy.
- **Indigen Small Business :** Creating jobs and access to affordable energy.
- **Residential :** A Basic Fee to cover Transmission and Distribution costs. A Flat Rate per KWH
- **Business tariff :** For Business with a NMD under 25KVA. Basic Charge to cover Transmission and Distribution. A fixed cost per KWH
- **Miniflex :** TOU tariff For Consumers from 25KVA to 500KVA
- **Mid Flex:** TOU Tariff For Consumers between 500KVA and 1MVA
- **Farm Flex:** A special tariff designed specifically for Food Farming
- **Mega Flex:** For Customers with a NMD of between 1 MVA and 50MVA
- **Munic Flex:** The Megaflex tariff but specifically for Municipalities
- **Industrial Flex:** For ESKOM's base load Customers with a NMD higher than 50MW and a consumption of at least 150million KWH's per year.







## The Road Ahead

I know these solutions won't be easy or quick. However, by collaborating with the brightest minds and best organisations, we can reduce energy costs, create jobs, and revitalise our industries. Together, we can restore South Africa's reputation as a leader in affordable, reliable energy.

I urge NERSA and ESKOM to reject further increases until these ideas are explored and proven viable. Let's aim for a future where energy drives opportunity, where communities thrive, and where my children can grow up proud of the South Africa we're building together.

Thank you for your time. If you'd like to collaborate on these solutions, I'm happy to contribute.





---

## Any Questions?

Contact: Tommy Diedericks

Email: [tommy@renewconsulting.co.za](mailto:tommy@renewconsulting.co.za)