



Presented by Tommy Diedericks, Founder of Renew Consulting  
Klerksdorp– 02 Dec 2024



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# About Renew Consulting

Good morning. Thank you for this opportunity. I would like to begin by providing some history about Renew Consulting. Renew Consulting was founded in 2018 by myself, Tommy Diedericks, after a decade of experience in the utilities management industry. Since 2008, I have worked across all municipalities in South Africa, giving me a comprehensive understanding of the cost of electricity nationwide. In 2018, I recognized that electricity costs were becoming a significant burden and committed myself to reducing these costs for consumers. Over the years, I have consulted for numerous prominent organizations, including Growth Point, KFC, Aurex (one of South Africa's largest steel and wire manufacturers), and one of the country's leading solar installers.



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## Recap of Previous Discussions

Last week, we discussed the stark discrepancies in tariffs across different regions, the unequal distribution of electricity costs, and the lack of access to affordable energy for many South Africans. These issues continue to challenge households, industries, and businesses nationwide, undermining economic growth and deepening inequality.

## Light Industrial Tenant ESKOM Vs Munic

Month	Total KWH	KVA	NMD	Ekurhuleni Tariff E	ESKOM Miniflex LV
Jan	41 972	129	227,000	R 115 179	R 115 179
Feb	52 383	135	227,000	R 135 615	R 135 615
Mar	50 509	148	227,000	R 133 687	R 133 687
Apr	54 613	150	227,000	R 141 623	R 141 623
May	59 318	149	227,000	R 150 420	R 150 420
Jun	58 355	208	227,000	R 251 631	R 251 631
Jul	62 833	223	227,000	R 298 951	R 178 059
Aug	54 218	207	227,000	R 263 031	R 157 714
Sep	40 755	191	227,000	R 133 910	R 85 027
Oct	52 041	203	227,000	R 159 182	R 100 357
Nov	41 622	215	227,000	R 139 022	R 86 205
Dec	26 288	227	227,000	R 108 574	R 65 377
<b>Total</b>	<b>594 907</b>	<b>2 184</b>	<b>2 724</b>	<b>R 2 030 826</b>	<b>R 1 600 895</b>
Cost Per KWH				R 3,41	R 2,69
Municipal Profit @ R1,80				R 1,61	R 0,89
Municipal Profit %				90%	49%

## Light Industrial Tenant Munic Vs Solar

Month	Total KWH	Munic	Solar	Ekurhuleni Tariff E		Ekurhuleni After Solar		Solar Saving
Jan	41 972	20 676	21 296	R	115 179	R	76 101	R 39 079
Feb	52 383	25 071	27 312	R	135 615	R	85 231	R 50 384
Mar	50 509	24 564	25 945	R	133 687	R	83 792	R 49 895
Apr	54 613	31 883	22 730	R	141 623	R	94 309	R 47 314
May	59 318	39 060	20 258	R	150 420	R	107 728	R 42 692
Jun	58 355	41 354	17 001	R	251 631	R	136 186	R 115 445
Jul	62 833	45 913	16 920	R	298 951	R	148 914	R 150 037
Aug	54 218	37 454	16 765	R	263 031	R	127 968	R 135 063
Sep	40 755	25 592	15 163	R	133 910	R	84 401	R 49 509
Oct	52 041	23 830	28 211	R	159 182	R	84 620	R 74 563
Nov	41 622	13 883	27 739	R	139 022	R	63 734	R 75 288
Dec	26 288	10 395	15 893	R	108 574	R	56 100	R 52 473
<b>Total</b>	<b>594 907</b>	<b>339 674</b>	<b>255 233</b>	<b>R</b>	<b>2 030 826</b>	<b>R</b>	<b>1 149 082</b>	<b>R 881 744</b>



## Light Industrial Tenant ESKOM Vs Solar

Month	Total KWH	Munic	Solar	ESKOM Miniflex	ESKOM After Solar	Solar Saving
Jan	41 972	20 676	21 296	R 115 179	R 48 927	R 66 252
Feb	52 383	25 071	27 312	R 135 615	R 54 251	R 81 364
Mar	50 509	24 564	25 945	R 133 687	R 51 963	R 81 724
Apr	54 613	31 883	22 730	R 141 623	R 58 784	R 82 839
May	59 318	39 060	20 258	R 150 420	R 67 575	R 82 846
Jun	58 355	41 354	17 001	R 251 631	R 83 602	R 168 029
Jul	62 833	45 913	16 920	R 178 059	R 91 215	R 86 844
Aug	54 218	37 454	16 765	R 157 714	R 78 458	R 79 257
Sep	40 755	25 592	15 163	R 85 027	R 52 662	R 32 365
Oct	52 041	23 830	28 211	R 100 357	R 52 447	R 47 910
Nov	41 622	13 883	27 739	R 86 205	R 39 177	R 47 028
Dec	26 288	10 395	15 893	R 65 377	R 34 606	R 30 771
<b>Total</b>	<b>594 907</b>	<b>339 674</b>	<b>255 233</b>	<b>R 1 600 895</b>	<b>R 713 667</b>	<b>R 887 227</b>




## Savings

Finance Cost Per Year

R 600 000

Total Saving in 10 Years just on Current Tariffs

R 2 817 435



# Elephant in the room

## **Municipal Debt Crisis**

South African municipalities collectively owe R90 billion in electricity debt, with Emfuleni contributing R8 billion of this staggering total.

## **Proposed Solution**

- **Uniform Cost-Reflective Tariffs**  
Introduce a single, cost-reflective tariff structure nationwide to ensure tariffs cover actual supply costs and drive responsible usage.
- **Strict Enforcement for Non-Payment**  
Hold municipalities accountable with meaningful consequences for unpaid accounts, such as financial penalties or administrative intervention.

Without decisive action, this debt will continue to cripple the sector and jeopardies future electricity supply.



## Consequences for municipalities

### NERSA RULES FOR LICENSABLE DISTRIBUTION AREAS OF SUPPLY – in this agreement

One of the objectives of the Electricity Regulation Act is to ensure efficient, effective, sustainable and orderly development and operation of electricity supply infrastructure within South Africa. The objectives are best achieved through licensing, the determination of tariffs and the development of rules, codes and guidelines.

Nersa is positioned to take action.

The issue of how much municipalities owe and their capacity for self-support is critical. In this context, it is evident—beyond any doubt—that Emfuleni is failing to adhere to the majority of the conditions outlined in their licensing agreement. This non-compliance undermines the very basis of their right to distribute and sell electricity.

*"These regulatory Rules shall be revised from time to time to accommodate the lessons learnt from their implementation and/or from lessons learnt from the area of supply disputes between licensees."*

# Emfuleni-Local- Municipality- Distribution- Licence-1

## 5.2. FINANCIAL CONDITIONS

- 5.2.1 The licensee shall maintain separate electricity distribution business affairs from the licensee's other affairs so that the revenues; cost; assets; liabilities; reserves and provisions for the electricity business are separately identifiable in the books of the licensee from those of any other business.
- 5.2.2 The licensee shall prepare on a consistent basis from such accounting records in respect of the financial year of the licensee, and each subsequent financial year, accounting statements comprising -
- i. an income statement;
  - ii. a balance sheet.
- together with notes thereto, and in appropriate detail the amounts of any revenue, cost, asset, liability, reserve or provision which has been charged from or to any other business together with a description thereof.
- 5.2.3. The licensee shall annually submit audited copies of such accounting statements to the National Electricity Regulator within 180 days of the end of the licensee's financial year. This shall include an asset register, purchase value and current value.
- 5.2.4. The National Electricity Regulator shall determine the prices at which the licensee shall supply electricity to its consumers.
- 5.2.5. The licensee is not permitted to charge any consumers with other tariffs than those specified in the schedule of approved tariffs set out in schedule 2 hereto, as revised from time to time, without the approval of the National Electricity Regulator.
- 5.2.6. The licensee shall pay the bulk supplier from whom it purchases its electricity.
- 5.2.7. Ensure that monies allocated for statutory National Electricity Regulator purposes in the licensee's budget are utilised for such purposes.
- 5.2.8. Ensure that electricity tariffs increases are promulgated through appropriate media.

# Emfuleni-Local-Municipality-Distribution-Licence-1

### 5.3 TECHNICAL CONDITIONS

- 5.3.1 The licensee shall supply electricity to its consumers in compliance with quality standards/criteria as the National Electricity Regulator may from time to time prescribe. Currently such applicable standards are, NRS 048 and NRS 047.
- 5.3.2 Prepare and adhere to plans, which protect customers and ensure the effectiveness of the industry such as:
- i. Maintenance Schedules;
  - ii Standards of Service (NRS 047) and Quality (NRS 048);
  - iii enquiries and complaints management;
  - iv license compliance management;
  - v consumer/public and staff safety/education; and
  - vi system losses reduction.
- 5.3.3 Explore demand management strategies before augmenting or expanding a distribution system.
- 5.3.4 Ensure that metering, billing and revenue collection are effective, efficient and accurate.

# Emfuleni-Local-Municipality-Distribution-Licence-1

## In Conclusion

In addition to the broader issues, Emfuleni is not adhering to both the financial and technical license conditions as stipulated in the agreement. This represents a clear breach of their obligations.

The appropriate consequence for such non-compliance should be either an amendment or revocation of the license, both of which fall under NERSA's authority. Despite having the power to amend or revoke licenses, NERSA has not taken such action in this case.

Furthermore, out of over 200 municipalities, only 66 have submitted cost-of-supply studies, rendering the tariff increases implemented by other municipalities illegal. Nevertheless, it seems that many municipalities continue to charge tariffs based on NERSA's approvals, effectively ignoring court rulings.

In conclusion, without meaningful consequences for municipalities that fail to comply, no significant change can be expected in the current situation.

# Suggested Tariff Structure

- **Indigen Residential:** 50KWH basic electricity free.
- **Indigen Small Business :** Tariff structure to promote business in township areas
- **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.

## 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



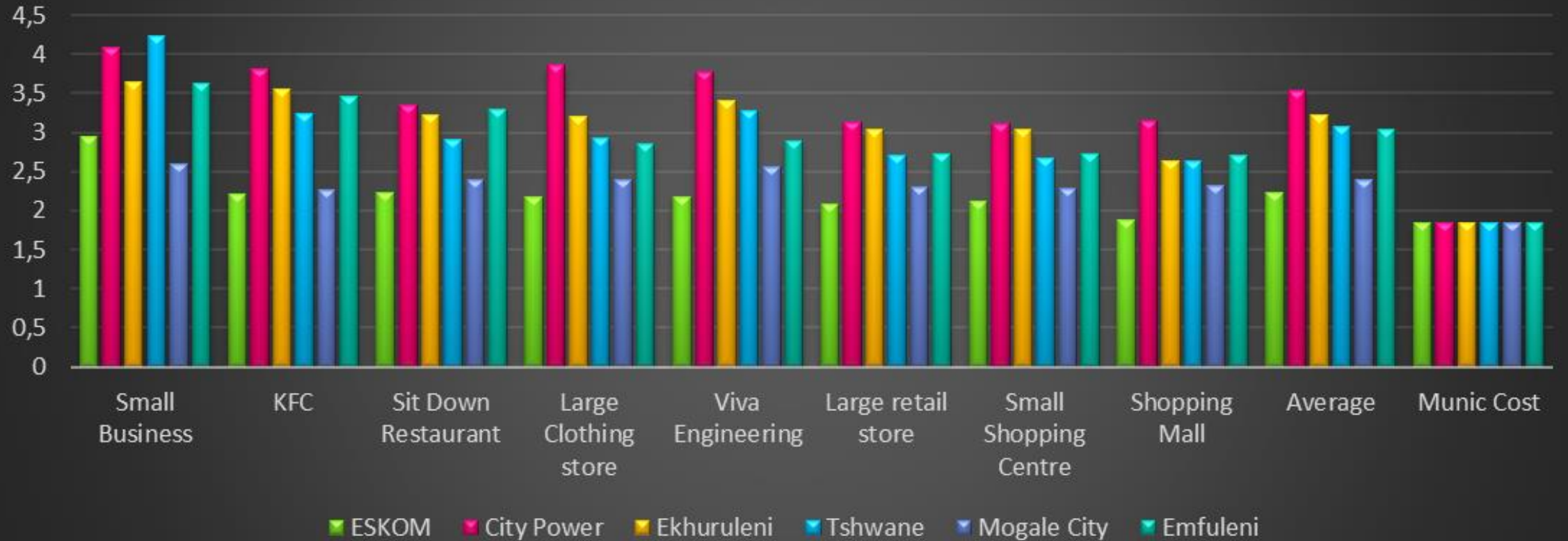
### Total Monthly Cost Current Tariffs

	ESKOM		City Power		Ekurhuleni		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		Ekurhuleni		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



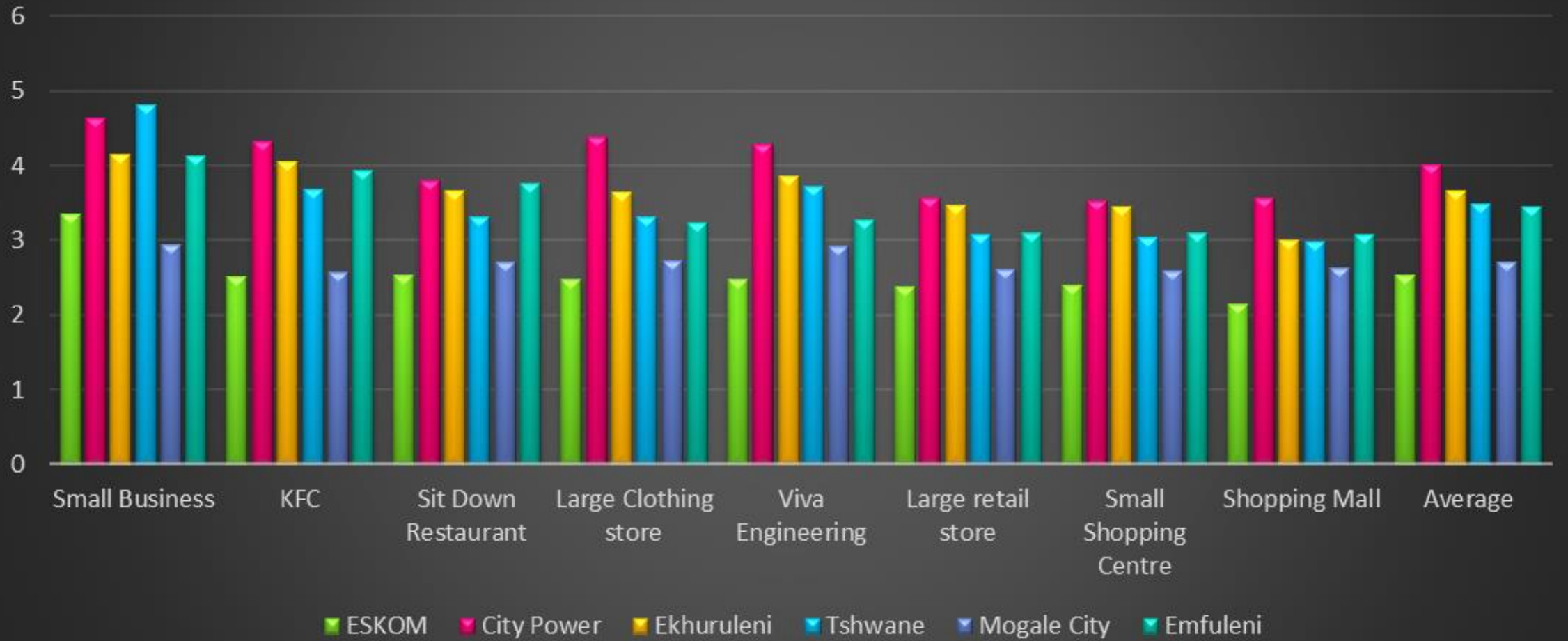
**Total Monthly Cost with 36,1% increase 2025/2026**

	ESKOM		City Power		Ekurhuleni		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		Ekurhuleni		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



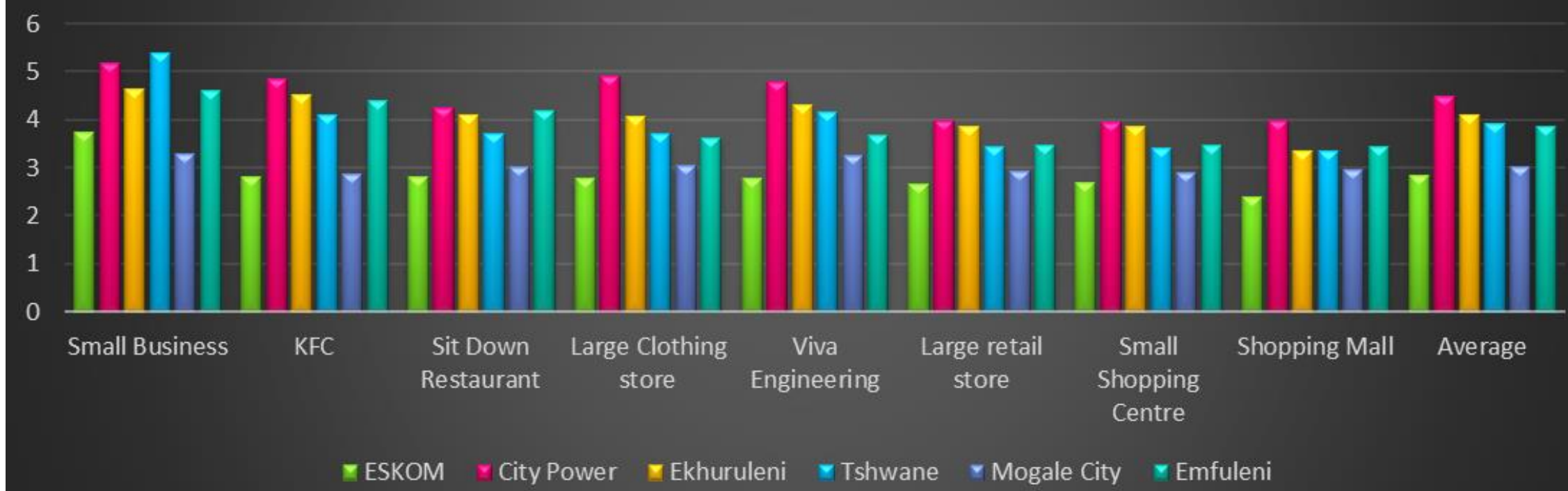
**Total Monthly Cost with 11,8% increase 2026/2027**

	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**

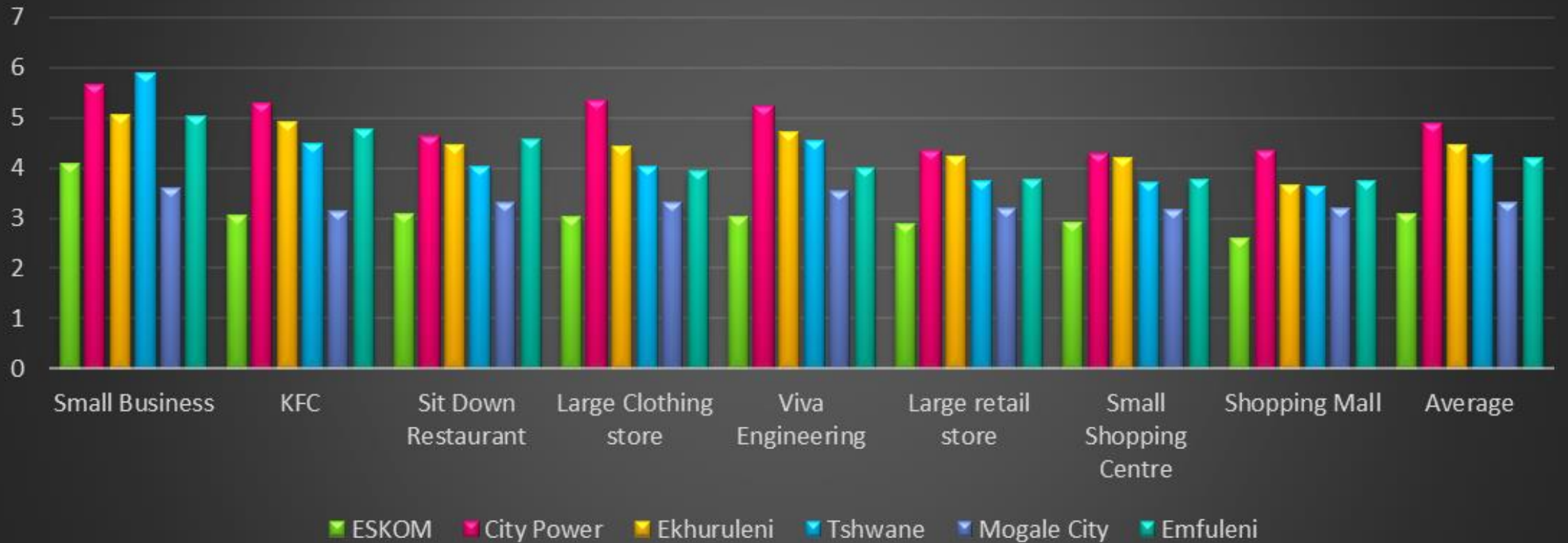
	ESKOM		City Power		Ekurhuleni		Tshwane		Mogale City		Emfuleni	
Small Business	R	24 445	R	33 923	R	30 304	R	35 267	R	21 546	R	30 162
KFC	R	76 466	R	132 061	R	123 242	R	112 088	R	78 509	R	119 718
Sit Down Restaurant	R	123 162	R	185 385	R	178 382	R	161 583	R	132 212	R	183 068
Large Clothing store	R	180 926	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



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# A Commitment to Collaboration

The path forward requires collaborative efforts between ESKOM, NERSA, independent power producers, and civil society. It is not enough to seek tariff increases without demonstrating tangible progress toward reducing costs, fostering innovation, and creating jobs.

This presentation is a call to action: to reject further increases until comprehensive, sustainable solutions are implemented and to prioritize affordable energy for all.

Thank you for your time and for considering these proposals. I am available to assist in developing these ideas further and welcome your questions.





# Any Questions?

Contact: Tommy Diedericks

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