



Date: 30 September 2021

MEDIA STATEMENT

NERSA EMBARKS ON MYPD5 PRICING METHODOLOGY REVIEW AND REJECTS ESKOM'S MYPD5 REVENUE APPLICATION FOR THE FINANCIAL YEARS 2022/23, 2023/24 AND 2024/25

The National Energy Regulator of South Africa (NERSA) announce that at its meeting held today, 30 September 2021, the Energy Regulator endorsed the MYPD5 pricing methodology review and consequently rejected Eskom's Fifth Multi-Year Price Determination (MYPD5) revenue application for the financial years 2022/23, 2023/24 and 2024/25.

NERSA has embarked on a consultation process to gather comments from stakeholders to assist in the development of the new methodology that will ensure sustainable electricity prices. In this regard, NERSA has published a consultation paper on principles to be used when determining electricity prices for the oncoming tariff setting period.

The new price determination approach will also take into consideration the rapid transformation of South Africa's electricity sector, respond to the transformation of the Electricity Industry and associated energy security concerns, rising electricity prices as well as the increase in self and private sector electricity generation.

NERSA received Eskom's MYPD5 revenue application on 2 June 2021. The application was based on the MYPD4 methodology, whose applicable control period is ending on 31 March 2022. After due consideration of the rationality and legality of applying an expired MYPD4 methodology and whether this was in the public interest, the Energy Regulator rejected Eskom's MYPD5 application.

The Energy Regulator will request Eskom to submit a one-year interim application for the 2022/23 financial year, preferably based on the principles of a new approach that is under consideration.

Regulator Members:

*Adv NP Sithole (Chief Executive Officer)

*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Mr S Mokoena Ms Z Mpungose Mr FK Sibanda

*Full-Time Regulator Members

The consultation paper has been published on the NERSA website www.nersa.org.za

End.

Enquiries:

Charles Hlebela

Head of Communications

Tel: 012 401 4768

Cell: 083 646 8280

Email: charles.hlebela@nersa.org.za