



To: National Energy Regulator of South Africa
526 Madiba St
Arcadia
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By email: municcomments@nersa.org.za

Date: 21 April 2026

RE: SAFCEI's Public Comment on the Proposed Adjustment to MYPD6

1. Introduction

SAFCEI (Southern African Faith Communities Environment Institute) is a multi-faith organisation committed to supporting faith communities in Southern Africa. Some of our key concerns include energy justice, the negative health and socio-economic impacts of energy poverty, and the environmentally sustainable use of resources.

SAFCEI opposes the proposed MYPD 6 revenue adjustment by both ESKOM and NERSA. This adjustment aims to correct a regulatory miscalculation made by both these parties. However, as a result, it unfairly forces households to bear the cost of institutional errors and past mismanagement, raising serious concerns about transparency, fairness and accountability. Furthermore, the confidential settlement between ESKOM and NERSA over a major revenue shortfall of **R54 billion** undermines public accountability and trust and draws into question NERSA's ability to deliver results for the benefit of the general public. NERSA's role and responsibility are to ensure sustainable, reliable, and affordable energy, which, in our view, it has failed to do and looks likely to continue to do so under the current system.

The consultation process is highly technical and inaccessible, reducing public consultation to a mere formality. It is also conducted within the minimum requirement of 21 days, which means most people have not even realised this is happening.

Given the existing electricity affordability crisis, any further price increase must be weighed against the real daily struggles of consumers who already cannot afford electricity and the objectively huge and unsustainable price increases Eskom has been allowed to implement.

NERSA must transparently explain the miscalculation and detail safeguards to prevent recurrence, restoring confidence in the regulatory process, and demonstrating its commitment to consumers rather than helping Eskom with its self-created financial crises due to mismanagement.

SAFCEI, therefore, requests:

- A full public explanation of the nature of the miscalculation and the attempted settlement.
- A clear affordability impact assessment.
- A commitment to improving the accessibility and transparency of future public participation processes.
- Assurance that regulatory errors will not be routinely passed on to consumers.

This adjustment cannot be treated as a routine correction. It demands accountability, transparency and a renewed commitment to the public interest.

2. Systems-Level Critique

It is unfair that the public should be forced to bear the costs of a regulator's mistake, yet this is the reality with the adjusted MYPD6 electricity tariffs, as well as the current annual increases already being approved.

This significant miscalculation by NERSA involves tens of billions of rands and is now translated into an added financial burden on households already struggling to cope. It is called a "correction"; the uncomfortable truth is that the very electricity system established to protect the public, especially the poor and vulnerable, has failed, and the consequences and burden are shifted onto those least able to afford it.

The continuous dispute between ESKOM and NERSA, specifically the R54 billion settlement proposal versus ESKOM's higher demand for the revenue shortfall, indicates a deeper governance issue. Instead of transparent accountability, this process is marred by closed-door negotiations, secrecy, and a technical procedure that excludes ordinary people. Public participation has devolved into a mere procedural check-box rather than a genuine safeguard.

Communities are asked to comment on complex documents that they cannot understand, within unrealistic deadlines, regarding decisions that have largely been finalised without their input. This is not meaningful participation.

The essence is that households are being coerced into a financial regulatory blunder that they did not cause, through a process to which they have no meaningful access. This is more than a simple tariff problem; it is a systematic failure, a crisis of governance, and a dignity issue.

For South Africa to achieve a just energy future, the regulatory bodies must be held to the same standard of accountability they impose on the public. Error must be openly

acknowledged, processes must be made accessible, and the negative consequences of institutional failures must not be systematically downloaded onto the poorest households.

NERSA's miscalculation, a material error involving tens of billions of rands, has now been converted into an additional financial burden on households who are already stretched beyond their limits. The public is told this is a correction, but the truth is more uncomfortable.

3. SAFCEI's overarching concerns on the MYPD6 process:

The MYPD is a narrow and outdated response to South Africa's energy crisis. SAFCEI calls for a review of electricity pricing methodologies and the electricity supply system that would bring greater fairness to consumers. The Electricity Regulation Act mandates NERSA to safeguard customers' needs and facilitate universal access to electricity. Electricity is a key contributor to socio-economic development. NERSA and Eskom should support policies that ensure electricity affordability. SAFCEI strongly objects to Eskom's proposed 9,01% municipal bulk tariff hike.

4. The role of Eskom, linked to the National Development Plan

The increasingly unaffordable rates of Eskom electricity are in contradiction with the NDP's plan to eliminate poverty and reduce inequality. Eskom is not considering the impacts of tariff increases on low-income households, nor on local authorities trapped in a debt spiral. Tariffs must avoid undue discrimination between customer categories. What is the role of Eskom when it provides cheaper electricity to big business at what appears to be a cost to domestic customers? Tariffs must avoid undue discrimination between customer categories. What is the role of Eskom when it provides cheaper electricity to big business at what appears to be a cost to domestic customers?

5. Unaffordability of Eskom:

As of 1 April, an 8,76% increase has been applied to Eskom direct customers. A further 9,01% will be effected from 1 July 2026 for municipal purchasers. An alternative funding model needs to be developed urgently to stop the debt burden on municipalities, households and businesses, as well as to ensure the future of Eskom.

6. Is the MYPD methodology still appropriate?

SAFCEI has been calling for a review of the electricity pricing system. We continue to raise the following concerns with the MYPD.

- On the Regulatory Clearing Account (RCA), users subsidise poor performance in forecasting and performance by Eskom.
- On the Regulatory Asset Base (RAB), inflated by corruption and mismanagement.

Both the RCA and the RAB impose costs on customers that are a result of inefficiency and imprudent management.

7. Recommendations:

- Independent evaluation of the delivery of NERSA and Eskom in relation to electricity price setting and MYPD6, so that a better approach can be created by the government with parliamentary oversight.
- Affordable electricity as a basic human right in the constitution (protection against excessive electricity tariffs).
- Urgent revision of Electricity Pricing Policies.
- Governmental agencies to re-evaluate pro-poor energy policies and strategies.
- Rework the FBE system, ring-fenced funds.
- VAT from electricity should be allocated to FBE.
- A shift from complete dependence on government to locally appropriate co-operative strategies within communities and local businesses that promote affordable, reliable energy access.
- Involvement of state actors in consultation with provincial and local administrations, and the people of SA.
- Review of the role of Eskom and of the principle of Eskom's CoS reflective tariff model (for a genuine JET).
- Alternatives to mainstream grid-tied electricity should be a part of JET.
- The relationship between the Energy Intensive User Group and Eskom must be reviewed.

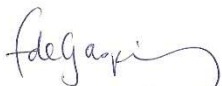
8. Additional Comments:

- Tariff increases have lost legitimacy with the public- being asked to "tighten your belts one last time".
- Our current electricity and energy crisis (supply and affordability) is rooted in the failure of several governmental departments to act over the years.
- Electricity and energy provision are in transition across the entire supply chain. Energy pricing policies need to be reviewed without further delay.
- Faith-based and community leaders are amplifying calls for affordable energy.

9. Conclusion:

SAFCEI appreciates the invitation for public comment on pricing policies and tariffs. These comments are made to support an affordable, reliable, clean energy future for all. Please reply to acknowledge receipt of this correspondence.

With regards,



Francesca de Gasparis
Executive Director, SAFCEI