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SAFCEI's Formal Submission on the Revised Electricity Pricing Policy (EPP) 2026

To: Mr. Joseph Maraba, Director- General, Department of Electricity and Energy:

From: Francesca de Gasparis, Executive Director, South African Faith Communities' Environment Institute (SAFCEI)

Date: 26 October 2026

1 . Introduction

The Southern Africa Faith Communities' Environment Institute (SAFCEI) welcomes the opportunity to comment on the Draft Revised Electricity Pricing Policy (EPP) 2026.

As a faith-aligned environmental justice organisation, our analytical tools for policy submissions are rooted in eco-justice, human dignity, and energy democracy. While we acknowledge the technical necessity of adapting the policy to mirror the unbundling of Eskom and the creation of the National Transmission Company of South Africa (NTCSA), we strongly warn that this draft, in its current form, codifies structural energy apartheid. It prioritises corporate cost-recovery over the constitutional rights and daily survival of the poor who already have been experiencing unjust rising electricity tariffs for over ten years.

The revised policy is recognised as a necessary response to significant changes in South Africa's electricity sector, including market reform, increased competition, technological change and the need for long-term financial sustainability.

The policy identifies desirable outcomes, and the existence of affordability and consumer protection objectives is noted. However, a sustainable electricity future requires not only mechanisms that support industry, utilities, and market participants, but also clear, enforceable protections for vulnerable consumers who remain dependent on affordable access to electricity. The policy would benefit from greater clarity regarding the implementation, monitoring, and enforcement of such protections.

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In view of this, we will focus our objection on the following:

1. **Vulnerable Consumer Protection**

The Draft talks about "modernising" the Free Basic Electricity (FBE) subsidy, but fails to provide explicit, legally binding mechanisms for vulnerable consumer protection in its implementation**.** In a multi-market, unbundled system, a genuine "lifeline tariff" cannot merely subsidise the basic cost of the 50Kwh of energy; it must explicitly exempt indigent households from all underlying network, transmission, capacity, and retail service charges.
Without an automatic, universal enrolment mechanism and ring- fenced municipal funding to address exclusion errors, the policy threatens to deepen energy poverty and violates the constitutional right to human dignity and basic social protection.

To address these concerns, we raise the following key question:

- In what specific and enforceable ways will vulnerable households be identified, safeguarded, monitored, and supported?

2. **Fixed Charges and Tariff Unbundling**

The Policy introduces heavy fixed capacity and grid access charges to guarantee revenue for infrastructure owners. It glosses over the fact that fixed fees break the direct link between "saving power" and "saving money," penalising households and particularly low-consumption households.

The framework lacks clear boundary limits regarding fixed charges. By allowing distributors to claw back lost energy revenue through rising capacity fees, the policy actively punishes households, especially low-consumption households, and rewards wealthy consumers who can migrate off- grid.

The Department must establish an absolute, legally binding cap on fixed monthly fees for lower consumption users and maintain Inclining Block Tariffs (IBT) to ensure structural justice.

Without a strict, legally binding ceiling on fixed monthly fees, the policy effectively outlaws the only financial survival mechanism poorer households have: using less electricity.

To address these concerns, we raise the following key question:

- What specific protection measures will be established to shield lower-use households from unavoidable fixed capacity and grid fees?

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3. Competition and Cost Shifting

While splitting the bill into Generation, Transmission and Distribution sounds transparent, the draft does not explain how an ordinary consumer can dispute an unfair hike in just one single component. It creates an accountability vacuum and a bureaucratic maze where captive consumers are passed around between Eskom, the NTCSA, private traders, and local municipalities.

Unbundling market structures risk shifting stranded asset costs and transmission backlogs, and private trading risks onto captive, low- income consumers. To prevent commercial exclusion, the final policy must mandate a single, localised, and transparent dispute- resolution accountability framework and, importantly, strictly forbid legacy generation cost recovery from being padded onto basic residential tariffs. To date, Eskom has increased tariffs by double digits using the excuse that this is due to the need to balance their books. If this is allowed to continue, electricity will be unaffordable to significant numbers of South Africans.

To address these concerns, we raise the following key question:

- What mechanisms will be implemented to protect "captive" consumers from bearing the burden of residential network costs and Eskom debt?

4. Municipal Implementation

The draft outlines a grand vision for a competitive open market, but is tailored for large corporations, independent traders, and affluent property owners who can afford wheeling agreements. It completely fails to articulate how marginalised communities, township communities, or rural municipalities can participate in or benefit from this market

To avoid deepening energy apartheid, the framework must mandate simplified regulatory tiers, ring-fenced grid access, and technical support for community-owned energy cooperatives, mini-grids, and local distribution networks. Municipalities must be bound by clear public service obligations, audited indigent management, and strict oversight against using electricity markups as unmonitored revenue cash cows.

- What baseline statutory duties govern municipal service delivery, how will implementation requirements be set, and what formal recourse structures guarantee local government accountability?

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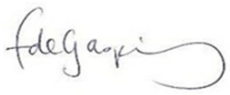
5. Conclusion

The Revised Electricity Pricing Policy 2026 presents a crucial moment for South Africa's energy landscape. While financial sustainability and market restructuring are essential, they must not compromise human rights, constitutional principles, developmental needs and social equity. The Revised Electricity Pricing Policy, in its current form, risks entrenching structural energy apartheid by prioritising commercial cost recovery over protecting low-consumption and vulnerable households.

Achieving a democratic and just energy system requires legally binding protections in the final EPP, truly competitive electricity pricing, a genuine lifeline tariff exempting indigent users from fixed monthly charges, transparent dispute-resolution mechanisms, and enforceable municipal accountability. Power must remain an accessible and affordable public good. We urge the Department to revise the policy to uphold these core principles and human dignity.

With regards,



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