Press Release: Communities Call for Urgent Action on Eskom's Electricity Pricing Plan as South Africa Faces Affordability Crisis

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As South Africa grapples with an ongoing electricity affordability crisis, communities working with the Southern African Faith Communities' Environment Institute (SAFCEI) call for urgent reforms to the country's electricity pricing system. This follows Eskom's Retail Tariff Plan (RTP) application to the National Energy Regulator of South Africa (NERSA). Eskom's application for a 36% tariff increase for 2025/26 will devastate Low-Income Households.

SAFCEI warns that the proposed amendments will worsen the financial strain on low-income households, where affordability is already a major challenge.

SAFCEI urges Eskom to retain the Inclining Block Tariff (IBT) until an effective subsidy structure is implemented. The multi-faith eco-justice organisation stresses that fixed charges should reflect the level of service use rather than a one-size-fits-all approach. Highlighting the need for fairness, the organisation emphasises that any tariff restructuring must support the country's transition to a sustainable and secure energy future.

According to SAFCEI's Ntombizodidi Mapapu, "South Africa needs an electricity system that is people-centred and affordable. SAFCEI does not support Eskom's RTP, because it means that low electricity consumers will pay a similar network fee to that of a household that uses more electricity. We support the call for a funded People's Energy System. We further call on NERSA to respond with a clear plan for intergovernmental action to address the crises of national electricity affordability and service provision. The public needs to be educated about the costs of electricity services."

Eskom's proposed Retail Tariff Plan includes significant changes to the current electricity tariff structure, notably removing the Inclining Block Tariffs (IBT) system. This system currently helps protect low-usage households from steep price increases.

Kim Kruyshaar, Cape Town, Western Cape said, "A closer look at the proposed RTP restructuring, especially on the back of Eskom's request for a 36% electricity tariff increase, presents the view of an Energy Utility that is no longer able to supply affordable electricity. Instead of more price restructuring, we need a complete review of the role of Eskom. Who should Eskom be serving as a priority and how should Eskom be funded? The current approach of unaffordable electricity and new tariff models is a distraction from developing a new energy supply model for South Africa that includes a viable Eskom."

SAFCEI and faith communities believe decisive action is needed to address the utility's fundamental issues. Tariffs are an important part of the solution, but without a comprehensive approach to funding and structural support, excessive tariffs risk prolonging Eskom's difficulties and deepening South Africa's economic challenges.

SAFCEI has submitted **written comments** to NERSA on the RTP and will make an oral submission at the virtual public hearing on 24th January 2025.

Faith leaders and some of the beneficiaries of the Rural Action for Climate Resilience (RACR) project concerned about the issue shared some comments:

Zelda Ann Hintsa from Cape Town, Western Cape says, "The revised plan fails to accommodate low-energy users, which means that the majority of South Africans could be left without access to affordable electricity. Additionally, Eskom must inform the public about peak hours so that people can make informed decisions about how to save electricity. This information is vital for helping consumers manage their energy use and costs."

Mazwi Ndikolo from Khayelitsha, Western Cape says "The RTP aims to remove unfair subsidies and support the integration of alternative energy sources, with a particular focus on small households with low to moderate electricity consumption. However, Eskom's revised tariff plan seems to overlook the harsh realities faced by South Africa's most vulnerable households. Removing the Inclining Block Tariff and implementing uniform increases will disproportionately burden poor consumers, potentially deepening energy poverty."

Nathaniel Matlou from Mogalakwena, Limpopo says, "The continuous rise in electricity prices has left many households unable to afford power. As a result, they turn to dangerous alternatives like firewood from the bush and because they are cutting dry trees they come across, the land suffers, leading to soil erosion and even health risks from smoke. People are now illegally bridging electricity or resorting to gas, which brings its own set of risks."

Nontsikelelo Thonjeni from Flagstaff, Eastern Cape says, "In rural areas, the rising electricity costs are forcing families to go back to using wood for cooking and heating, which is not only harmful to the environment but also undermines our resilience against climate change. From my personal experience, the electricity tariff increases have affected the basic needs of healthcare facilities, as patients no longer have access to water for drinking, bathing, or cooking their meals on time. In some cases, even the oxygen supply is disrupted because of power outages. It is a dire situation where communities are left with fewer options to survive."

Mahadi Bolofo, Matatiele, Eastern Cape says, "The increase in electricity prices is already forcing people in rural areas to return to using old methods, like wood fire for cooking because the electricity they can afford doesn't last long. People are struggling to survive on small social grants while everything else keeps getting more expensive. We are living in an expensive South Africa ."

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For more information:

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Note to Editor:
The Rural Action for Climate Resilience (RACR) project empowers rural communities in South Africa to build resilience against climate change. By partnering with community-based organisations and faith leaders, RACR seeks to enhance the social, economic, and environmental well-being of rural populations, particularly in the Eastern, Western, and Northern Cape provinces. The project is funded by the Embassy of Ireland.