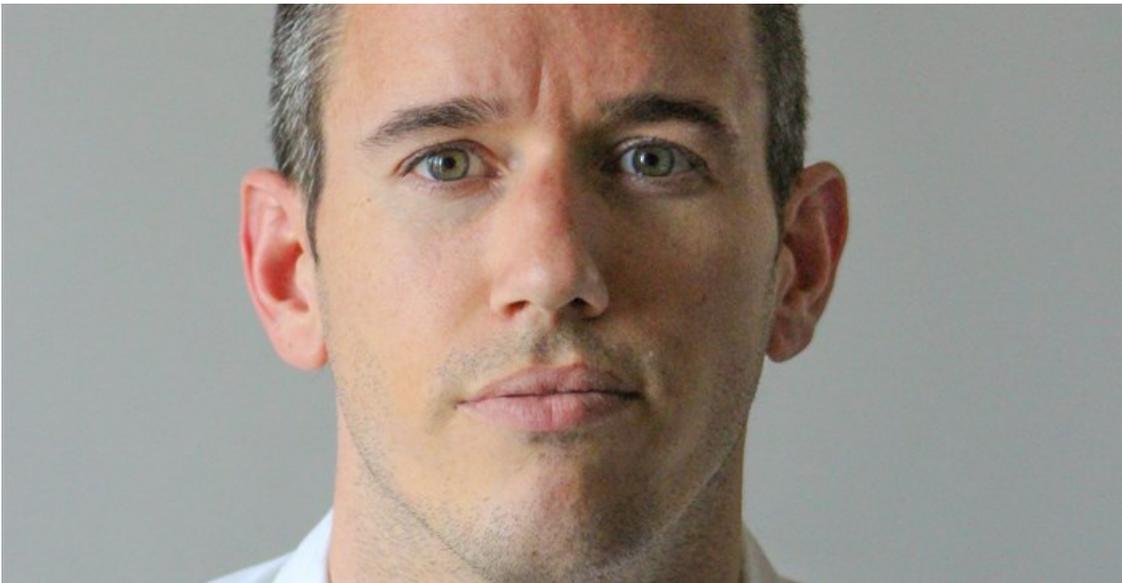


Eskom's proposed tariff restructure is not all doom and gloom

By [Tygue Theron](#)

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While Eskom's recently tabled [tariff restructure programme](#) is drawing a fair amount of criticism, it may ultimately improve the landscape for renewable energy in South Africa.



Tygue Theron, head, business development, Energy Partners Intelligence

The programme proposes changes such as charging consumers a fixed connection fee. Eskom has also requested a 10.95% increase in tariffs. But, there is another way to look at the situation.

One of the biggest points of contention is the proposal that users are charged a split tariff, consisting of a volumetric usage cost, and a fixed daily connection cost. While consumers who rely on solar power are saying that this would make it longer before they get a return on their investment (thus lowering the feasibility of investing in a solar energy system), it could actually be better for renewable energy in SA in the long-run.

Eskom is in fact coming out in support of greater renewable energy adoption in the country, while also acknowledging that this will expose the utility to additional costs.

Support for renewable energy

I believe one of the biggest developments for renewable energy adoption locally, was when Eskom CEO, André De Ruyter, joined the call for [lifting the generation cap on renewable systems](#).

At the same time, we have to recognise that surplus renewable energy will have to be stored and distributed through the national grid, and that Eskom's coal-fired generation facilities still have to be able to provide power during the early morning and evening hours.

These are maintenance and operational costs that the utility would not be able to recover under the current tariff model.”

Ultimately, the proposed tariff restructure could indeed lead to greater stability for South Africa's power grid. We have run quite a few models so far, and we have found that this change, as well as the other proposed tariff changes, will not have too much of an effect on businesses.

While it may increase costs for home users, it would help us get closer to our renewable energy goals while relieving some pressure on businesses in the country.

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