



69TH AMEU CONVENTION



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CSIR International Convention Centre

Confronting South Africa's Electricity Crisis in the context of a 'Balanced Just Energy Transition' (BJET) and the need for a reliable and resilient national electricity grid

A balancing act: The City of Cape Town's Energy Strategy as a tool to navigate short term crises in the context of long term transition in the energy sector

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Key drivers of change in Cape Town's Energy System

Escalating energy cost and

price volatility

• Increase in use of

renewable energy

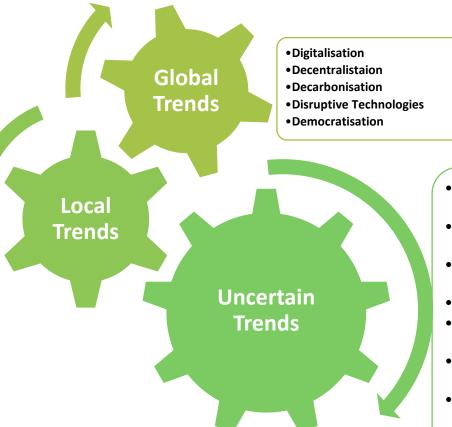
Decentralising energy governance with

increased private sector

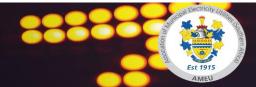
constraints

involvement

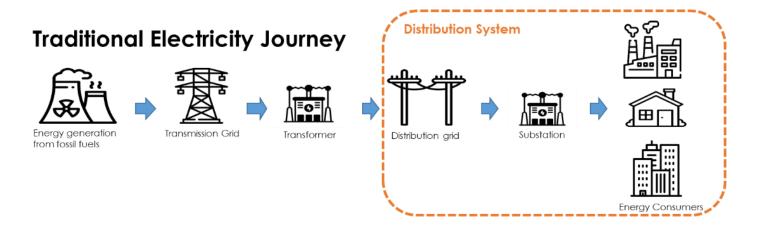
Load-shedding and Tx

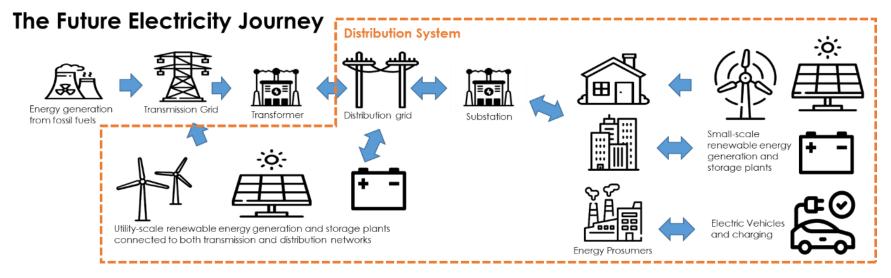


- Availability of electricity from Eskom
- Price trajectory and structure of Eskom electricity tariffs
- Cost and availability of embedded energy supply
- Total energy demand
- Proportion of customers receiving subsidised electricity
- Proportion of non-technical losses
- Market structure and governance arrangements
- Petroleum fuel and gas price and availability
- International and local response to carbon intensity of Cape Town's economy



How the drivers of change are impacting the distribution system







Overview of the City of Cape Town's Draft Energy Strategy

Vision

Energy Security for a prosperous Cape Town. Together, we can build a resilient energy system where all residents and businesses have access to reliable, affordable, and carbon neutral energy.

Principles

Reliability: Energy is available when it is needed Affordability: Ability to pay without compromising other needs Carbon Neutrality: limiting greenhouse gas emissions Resilience: The capability to adapt to change and disruption

Commitments

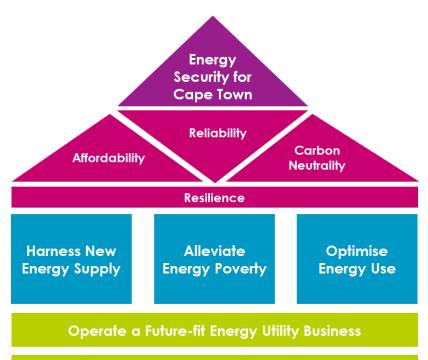
The City's commitments to deliver, enable and partner with stakeholders to build a resilient energy system to support social and economic development.

Enablers

The ability to succeed in these commitments will depend on the actions by many people and corresponding changes made in how the energy utility operates.

Shifts & Stresses

The energy sector is changing at a rapid pace and scale with a number of key shifts and stresses affecting every aspect of Cape Town's energy system.



Action by Residents, Businesses and Partners

- Load-shedding electricity supply is unreliable
- Disruption of traditional utility business models
- Some residents have limited access to sufficient safe and affordable energy to meet daily needs
- Consumers are playing a more active role in the energy system
- Energy use in Cape Town has a high carbon intensity
- Above inflation cost increases for electricity



Energy Strategy's Prioritisation Framework

Short Term (by 2026): Increase capabilities to mitigate against up to 4 stages of loadshedding

Due to the current severity and frequency of load-shedding and the devastating impact this is having on the economy, it is necessary to prioritise interventions and investments that will directly contribute to stabilising electricity supply in the short term.

Medium Term (by 2031): Reforms implemented to maintain a modernised and financially sustainable electricity utility

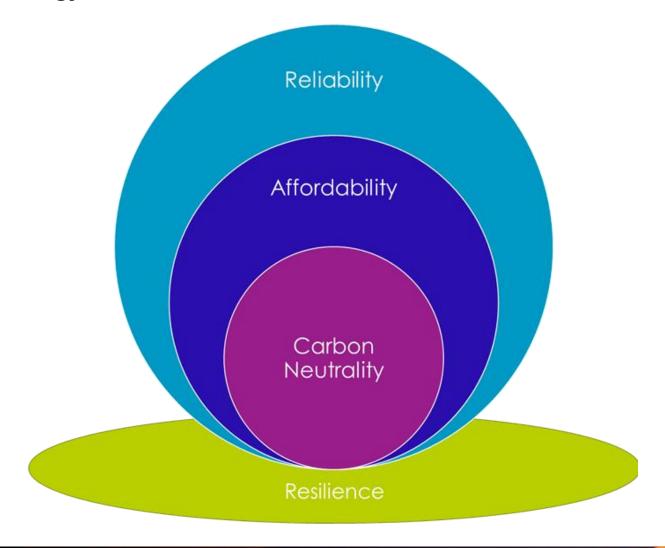
In the medium term, a financially resilient and operationally efficient electricity utility is critical to ensure the long term provision of core utility services, such as network service provision and the continued provision of the energy social package to economically vulnerable households.

Long term (by 2050): Transforming the energy system to be carbon-neutral

In line with global, national, and local climate commitments for carbon neutrality by 2050, it is critical that the carbon intensity of the energy system is reduced, as a major contributor to greenhouse gas production. This not only speaks to the sources of energy used, but also ensuring that the systems and value chains are in place to support a carbon neutral energy system.

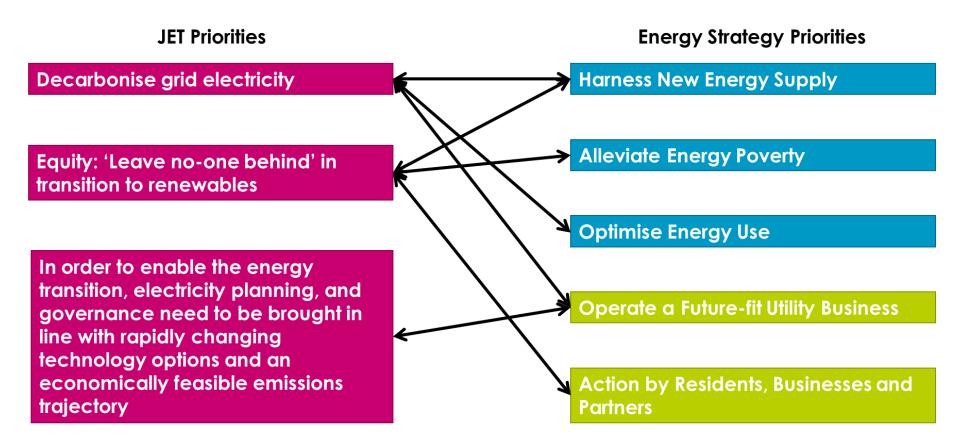


Energy Strategy's Prioritisation Framework





Framing the Draft Energy Strategy in the context of the National Just Energy Transition Framework





Conclusion

Key mechanisms used in the City of Cape Town's Energy Strategy to address short term crises while navigating the longer term transition:

- The collaborative approach to its development across the City and with other key stakeholders
- By identifying and communicating both the predictable and uncertain trends that underlie the evidence base and assumptions upon which the Energy Strategy is developed along with a commitment to regularly assess these and update the Energy Strategy to ensure it stays relevant
- By developing a prioritisation framework that aims to make decisionmaking and trade-offs more transparent to municipal leadership and the public
- Ensuring alignment with the national JET Frameworks in a way that is strategically aligned to City context and priorities





Thank you!



