



ENERGISING OUR FUTURE — TOGETHER

TACKLING ENERGY POVERTY AND IMPROVING
COMMUNITY ENGAGEMENT IN THE WESTERN CAPE



PROJECT 90
BY 2030

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A low-carbon generation.

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The Friedrich-Ebert-Stiftung (FES) has been promoting the values of social democracy in Africa for over 40 years. FES works for social justice, democracy, peace and international solidarity on the continent. FES, as an independent and non-profit organisation, is rooted in a rich tradition of social democracy dating back to its foundation in 1925 and the political legacy of its namesake Friedrich Ebert, the first democratically elected German President. FES has encouraged and nurtured political exchange between Africa, Germany and Europe for many years, acting as partner to political parties, parliaments, trade unions, media, civil society groups and the interested public.

FES South Africa is working with a broad range of like-minded partners, developing strategies and programmes designed to overcome political, social and economic challenges in South Africa. Their common goals are a sustainable and inclusive socio-economic transformation, broad-based civic political participation and a democratic South Africa fulfilling its role as a soft power regionally and internationally. Their instruments for achieving these goals comprise targeted political education, information and training programmes, public dialogues, action-oriented research, publications, and political consultation.

1. Our apologies to anyone omitted by mistake

Project 90 by 2030 (Project 90) is a Non-Profit Organisation established in Cape Town in 2007 with the vision of inspiring and mobilising South African society towards a sustainably developed and equitable low-carbon future. Project 90 strives to spark significant, positive and lasting changes in responding to climate change and dealing with energy issues. Our unique three-pronged approach sees us engaging with the following actors:

- Aspiring young South Africans: to nurture them in becoming tomorrow's climate- and energy-informed leaders
- Strengthened communities: engaging and participating in government processes to address climate change and energy poverty issues in their communities
- Network of civil society organisations (CSOs): to amplify collaborative efforts in the call for good governance and national climate change and energy policies that lead South Africa to a just and low-carbon energy system.

Abbreviations

ASDU	Alternative Service Delivery Unit, GreenCape	kWh	Kilowatt hours
CO ₂ e	Carbon dioxide equivalent	LINES	Low-Income Energy Services Unit, CoCT
CoCT	City of Cape Town	MFMA	Municipal Finance Management Act
COGTA	Department of Cooperative Governance and Traditional Affairs	MW	Megawatt
CORC	Community Organisation Resource Centre	NBI	National Business Initiative
COVID-19	2019 novel corona virus disease	NDP	National Development Plan
CSO	Civil society organisation	NEDLAC	National Economic and Development Labour Council
DDM	District development model	NERSA	National Energy Regulator South Africa
DEFF	Department of Environment, Forestry and Fisheries	EVA	National Employment Vulnerability Assessment
DHS	WC Department of Human Settlements	NGO	Non-governmental organisation
DMRE	Department of Mineral Resources and Energy	NPC	National Planning Commission
EE	Energy efficiency	P4C	Presidential Climate Change Coordinating Commission
FBAE	Free Basic Alternative Energy	PACE	Property Assessed Clean Energy programme
FBE	Free Basic Electricity	Project 90	Project 90 by 2030
FEDUP	Federation of Urban and Rural Poor	PV	Photovoltaic
FES	Friedrich-Ebert-Stiftung	RDP	Reconstruction and Development Programme
GDP	Gross domestic product	RE	Renewable energy
IBT	Inclining block tariff	SALGA	South African Local Government Association
IDP	Integrated development plan	SEZ	Special Economic Zone
IGR	Intergovernmental relations	SIDAFF	Sustainable Infrastructure Development and Finance Facility
IPP	Independent power producer	SJRP	Sector Job Resilience Plan
IRP	Integrated Resource Plan	SSEG	Small-Scale Embedded Generation
ISSP	Informal Settlement Support Programme	WC	Western Cape
JET	Just energy transition		
JT	Just transition		

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Executive Summary

This report examines aspects of a just energy transition (JET) in the Western Cape. It provides a summary of strategic priorities identified through interviews with provincial and municipal officials. This is followed by a closer look at tackling energy poverty, focusing on improved community engagement - drawing on conversations with community members, civil society and government representatives.

This study was researched and written in 2020 - a year marked by a global pandemic, economic downturns due to national lockdowns and growing pressure to address climate change. Together, these factors have pushed many to talk about a 'new normal' and the need to radically transform our world.

The low-carbon and climate resilient discourse has increasingly included actions linked to justice so that the poor and most vulnerable do not pay the price for such a transition. Thus, we speak of a just transition (JT) which could apply to system change in a variety of economic sectors. When dealing with the energy sector, we use the term just energy transition (JET) which, until recently, has focused largely on coal regions because of the negative impacts of coal mining and burning in electricity production.

However, coal regions are not the only areas that should be concerned with a JET. This report concentrates on the Western Cape (WC) province in South Africa, where the City of Cape Town (CoCT) is the largest municipality. Officials from provincial and local government were asked for their opinions on what the strategic areas and actions for a JET would be, recognising the context in 2020 and the need to recover economically from the pandemic.

The research highlighted five core components for developing a JET in the province. Despite electrification rates of over 96%, many people still struggle to meet their basic energy needs, so **tackling energy poverty** is a chief priority. **Increasing energy efficiency** has widespread support: it could save money, create jobs and be implemented quickly. **Adding renewable energy generation sources**, at a variety of scales, is required to reduce carbon emissions and increase municipal energy security. **Growing the number of jobs in the green economy**, including within the renewable energy sector value chains, could help to combat the high levels of unemployment. The transport sector uses more energy than any other sector in the province, so **improving local transport systems** must be part of a JET.

The research identified a number of cross-cutting factors which relate to the five core components: policy and regulatory certainty, improving stakeholder engagement, increasing municipal energy resilience, supporting micro-

economies, investigating finance options, transition management and better access to information.

(Some areas of suggested action across the core components and cross-cutting factors are provided, and any of these could form the basis for a future project in this field).

After the scoping phase it was decided to use a close lens to look at energy poverty in the WC and examine how systems of community engagement could be improved.

Public participation resides at the heart of the Constitution and the country's democratic governance principles. This means that all spheres of government decision-making, laws and policies require engagement with the public. The objective is that those who are affected by a decision have a right to be involved in forming and developing the decision. In essence, the research confirms that systems are in place and public participation does occur at a formal level. However, meaningful engagement with low-income communities is not happening generally, and even less so when dealing with access to electricity and affordability.

Where engagement does take place, it is often presented as a once-off activity rather than a negotiated, people-centred process over time. Communities are not adequately informed about how electricity tariffs and subsidies are structured or about the constraints that municipalities face in service delivery. Similarly, there is insufficient understanding on the part of local government of the specific challenges and needs of their communities. This is a space where enumerators could work with community representatives to provide an accurate picture of circumstances on the ground at each location. Many of those interviewed suggested that there is need for trained community liaison people to act as a working interface between government and the communities. This could help to build trust and relationships, but requires skill and sensitivity in managing the trauma and responses caused by living in difficult and impoverished conditions for a long time.

The research asked why there is a disconnect between policy intention and implementation in terms of public participation, and why engagement is not happening at the intended level.

One potential reason is that, from the introduction of the Reconstruction and Development Programme (RDP) in 1994, transformation within South Africa has been undertaken at the level of reforms and policies. There has been no fundamental systemic shift in the structure of the economy or state to support the level of change hoped for. The many years of corruption and state capture have resulted in constraints on the developmental agenda. In many respects the way in which South Africa's democracy was rolled out left little space for comprehensive community engagement.

Thus, the recommendations are two-fold. The first speaks to the need for high-level systemic change but it is not dealt with in any detail in this report. The second speaks to a bottom-up or localised approach. To this end the report comes up with **broad recommendations** followed by **five actionable steps** that could close the gap between intention and practice at the level of engaging communities in developing solutions to energy poverty.

The broad recommendations include:

- Develop viable, local-level financial interventions that will allow low-income households to access sufficient electricity for basic needs. This requires solutions that consider but are not limited to:
 - Reviewing the free basic electricity (FBE) grant structure and roll-out.
 - Restructuring municipal financial models, including subsidisation strategies.
 - Overhauling the setting of electricity tariffs and unpacking the cost of supply.
 - Adapting regulations and procurement rules to support the above changes.
- Open a space for municipalities to buy or generate their own electricity from renewable sources.
- Empower consumers through education and access to relevant information.
- Prioritise initiatives to increase energy efficiency in low-income households.
- Develop municipal guidelines on how to address energy poverty.

THE FIVE ACTIONABLE STEPS ARE:

1. A WC working group for energy solutions

This group would be made up of representatives from all stakeholder groups. It would be tasked to develop a common understanding and vision of the challenges related to energy and energy poverty. Through building on what is in place, it would develop an action plan that supports community engagement. It would develop mechanisms to work holistically rather than in silos, identify what is cross cutting and ways to share problems and solutions across government departments as well as across communities.

2. Communication and education

The working group should identify and contract a champion to drive the improvement of energy information and education generally. This would also build on what is in place such as the communication strategy being developed by CoCT.

3. A mobile demonstration unit

This mobile unit would be set up for demonstrations and community education. It would showcase efficiency measures and explain topics like electricity tariffs, accessing FBE, different sources of energy and safety measures when using alternative fuels.

4. Community liaison initiative

The working group would identify an umbrella organisation to champion the community liaison initiative which would include training on how to engage, build trust, manage trauma and maintain relationships.

5. Pilot project

The working group would select one community in one municipality for a pilot project around engagement on energy poverty across the community, ward councillors and municipality. The pilot should survey community energy challenges, appoint community liaison workers, provide information, run discussion events and create relationships. The pilot would scope what civil society, activist organisations and universities have already done in the chosen community to build on previous learning and existing structures.

These steps may seem simple, but it is critical to get the basics right. A JET in the WC must prioritise tackling energy poverty by involving those people who are most affected in developing the solutions. These practical steppingstones should be achievable even under constrained economic circumstances, and would, hopefully, help us energise our future - together.

Introduction

There are many grim realities in South Africa – inequality, a struggling economy, structural unemployment and entrenched poverty. As in the rest of the world, we are experiencing environmental destruction and the initial effects of climate change. In 2020, the 2019 novel corona virus disease (COVID-19) has compounded many of these problems. But there is also hope. As the nation prepares to recover from the pandemic, people are demanding a transformation in the way things are done. This is the opportunity in the crisis – a chance to work together to improve our situation.

Are we able to see our world from a holistic perspective that encompasses all our challenges and moves towards a low-carbon, climate resilient and ecosystemic approach? Can issues such as energy, biodiversity, adaptation and resilience be enclosed within both an environmental and social justice framework?

The notion of a ‘just transition’ (JT) is one part of this journey towards creating a sustainable society. It combines positive system change at the technical level with a justice-based process that prioritises the interests of the poor and marginalised. In the broadest sense, it is about:

changing production and service systems so that they are better for people and the natural environment, while doing this in a managed way that also advances social justice.

Energy is only one of many sectors where this can be applied with particular relevance for South Africa. Lower carbon energy sources are essential to reduce the emissions that contribute towards climate change.

This report builds on a previous report by Project 90 on planning for a just energy transition (JET) in South Africa [1]. This study looks more specifically at the Western Cape (WC). Lessons around JT show the importance of the local level, and the need for area specific solutions. The WC has

shown the political will to move towards a low-carbon future for electricity generation and improve energy services more broadly.

The City of Cape Town (CoCT) was chosen as a focus municipality within the Province as it has the largest population, uses approximately 60% of the province’s energy, produces 56% of greenhouse gas emissions [2] and contributes over 72% of the economic output [3]. The City has committed to carbon neutrality by 2050, which means that significant changes will be required in the energy sector [4].

To date, many JET contestations in South Africa have involved the fate of the coal industry and its workers in the context of shifting to renewable energy (RE) for electricity generation. Geographically, this facet of JET affects Mpumalanga primarily, and neighbouring provinces to a lesser degree. So, if the socio-economic consequences of coal phase-out is not the major JET concern in the WC or CoCT, then what is?

This type of question provides ample stimulation for robust discussions among researchers, activists, academics, labour representatives and community members. While in no way discounting the importance of such deliberations, this often results in a set of ideas or demands being presented to government representatives, decisions makers and the private sector, usually excluding their input and any consideration of the practical constraints on implementation.

In this project we chose a different approach. We felt it was important to first cross the fence and **pose the questions to those in positions of authority to make change happen**, such as provincial and local government officials. These interview findings should provide a base for choosing strategies that align with priorities of local government to ensure its support. This type of cooperation between governance and citizen structures is very much in line with the principles of JT.

Research process

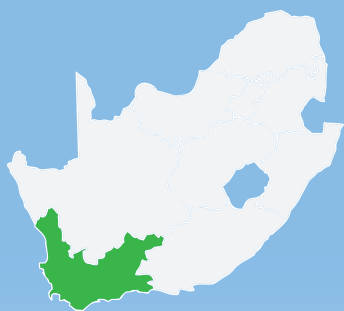
In the **scoping phase** we aimed to identify which components of JET leaders and decision-makers at the provincial and city level in the WC viewed as important, and which course of immediate action would have political support. A summary of these interview findings was discussed with a JT peer group to assist in selecting a focus topic for further investigation.

In brief, the **focus phase** looked at how to tackle energy poverty in the WC with particular attention paid to improving municipal systems of community engagement. This focus phase was also based on interviews with a range of stakeholders including community and youth representatives.

SCOPING PHASE



Energy



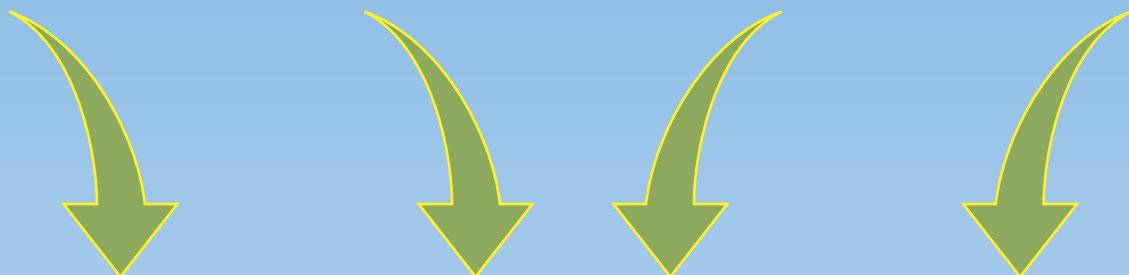
Western Cape



Provincial and local government representatives



Economic and energy challenges, including COVID-19 recovery



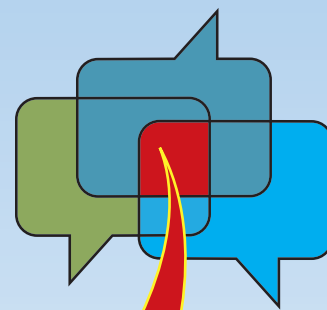
Summary of strategic priorities for local level JET actions



Civil society peer group discussions



Identification of combination focus areas



Selection of one initial research area

FOCUS PHASE

Tackling energy poverty, with a focus on improved community engagement



Interviews with representatives of government, CSOs, community and youth

Figure 1: Research project process and structure

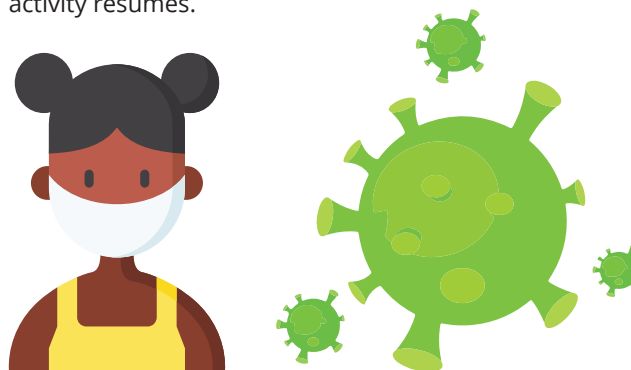
2020 context

This project started in April 2020 just as South Africa entered a lockdown response to the COVID-19 pandemic. The disease itself and the lockdown measures have affected and will continue to affect vulnerable and under-resourced communities more severely than others. In addition, the framework for the study was affected by the circumstances of the pandemic.

By July 2020, an outline of a 'just recovery' in South Africa had been articulated [5] and there were calls for a 'Green New Deal' [6] as responses to the economic effects of the pandemic, to complement the business case for green stimulus [7]. In principle, these proposals mean that countering the immediate negative effects of COVID-19 in the short term must be aligned with long-term sustainability and socio-economic justice, and not simply comprise knee-jerk 'fixes' that lock the country into business-as-usual pathways.

An improved energy system forms part of the solution to broader economic issues.²

Against this backdrop, the obvious synergy is for JET to be a key part of the plans for how to 'build back better' as economic activity resumes.



Aims of this report

1

To present the interview findings in an accessible format for a wide audience and stimulate debate

2

To provide brief reflections for priority activities that could support a JET in the WC

3

To do preliminary work on one strategic focus topic that can serve as a foundation for future work

4

To provide initial recommendations for municipal-level action around energy poverty and community engagement

Part 1 summarises the findings and reflections of the scoping phase and **Part 2** summarises the focus phase and recommendations.

Appendix 1 provides further insight into the diverse views on the concept of JT, the link to energy, the stagnation at national level around implementing JT activities, and the importance of applying the principles of JT at the local level. This will be useful background reading for readers less familiar with the subject.

Appendix 2 includes the details of the interview process and interviewees.

2. Since 2008, load shedding from Eskom has demonstrated that insufficient electricity supply has damaged the economy.

Part 1

Strategic Priorities for JET in Western Cape

This part of the report looks at what actions would promote a JET in the WC, identifies some specific areas for further work and explains the choice of focus topic for Part 2.

This chapter is written in a concise style as it provides a high-level overview on a range of subjects.

1.1 Energy landscape and the role of electricity

The charts below provide an overview of energy consumption by fuel source (Fig. 2) and by economic sector in the WC (Fig. 3). It is clear that liquid fossil fuels such as petrol, diesel and jet fuel (that are extensively used in transport) are responsible for the majority (53%) of energy consumption³.

However, it is important to note that electricity use produces higher greenhouse gas emissions⁴ than liquid fuel use (Fig. 2.) and that the combined emissions from industrial, commercial and residential sectors is more than twice that of transport sector [2].

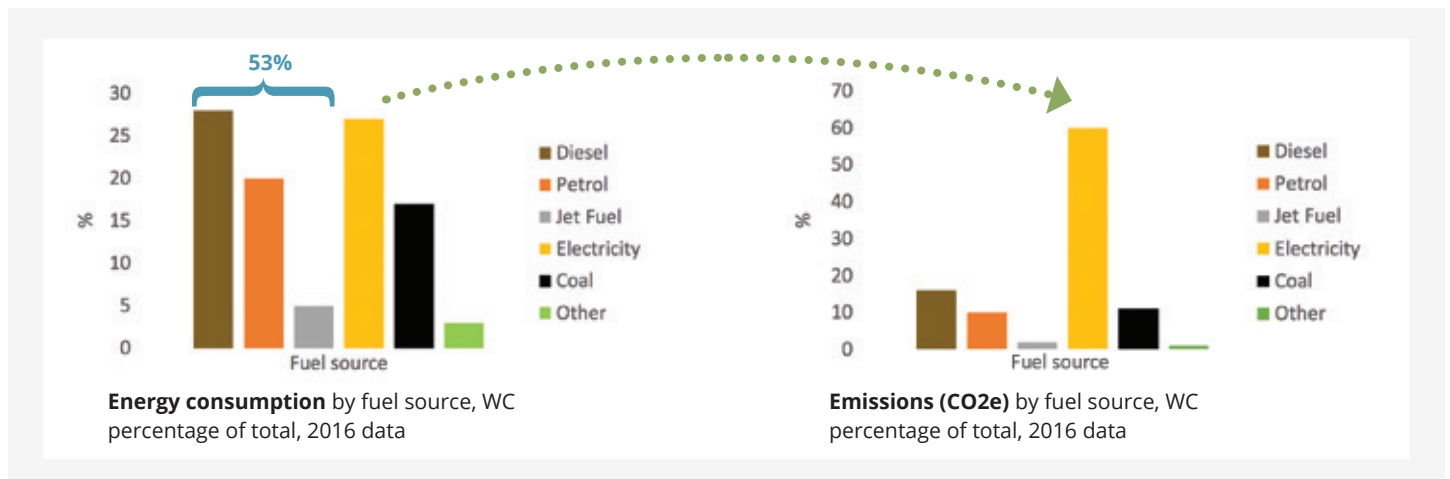


Figure 2: Importance of reducing electricity sector emissions for climate change [2]

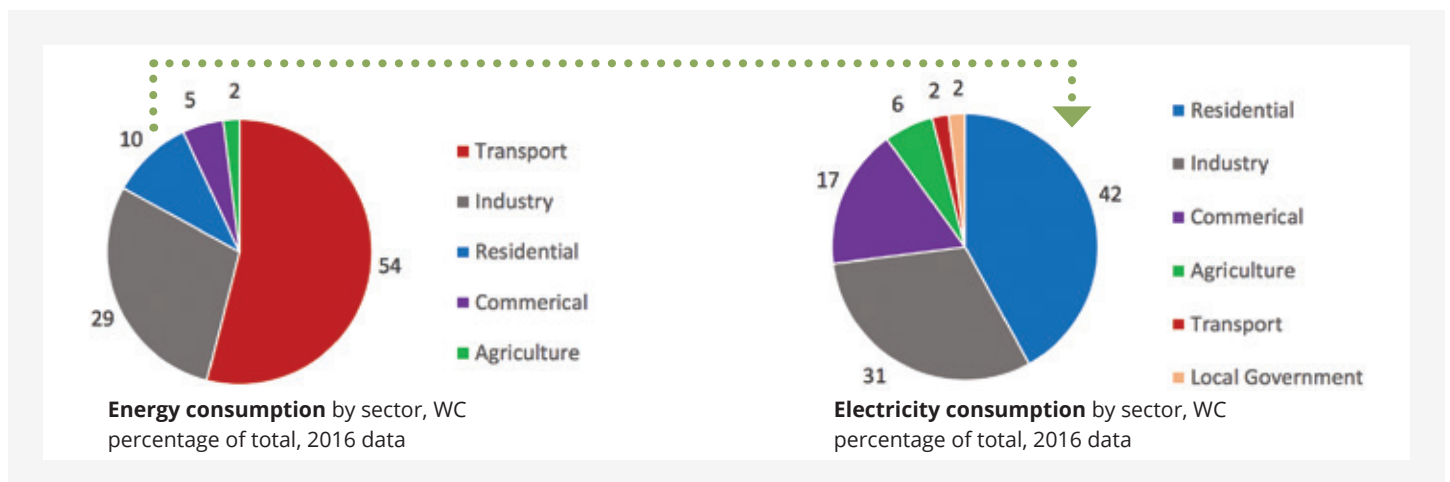


Figure 3: Importance of electricity for households [2]

3. For CoCT, liquid fuel domination is even higher at 70%, mainly because the transport sector in the City consumes 68% of total energy [2].

4. Measured as carbon dioxide equivalent (CO2e).

While it is not the focus of this report, shifting away from these liquid fuels is critically important for a JET in the WC in the long term. **A cornerstone of the transition will be the electrification of transport, but current electricity generation is heavily dependent on burning coal, which releases greenhouse gases that contribute to climate change.**

So, for the WC, **even though electricity is only 27% of total energy consumption, it is responsible for 60% of greenhouse gas emissions.** Therefore, the biggest emission reduction gains can be made by replacing coal-based electricity generation with RE technologies.

In addition, electricity is also the safer and healthier option to meet the basic energy needs of households. Provincially and in the City, over 90% of households use electricity for cooking, lighting and water heating water [8]. However, above-inflation increases in electricity prices combined with poor overall economic circumstances are making electricity unaffordable for many households. Therefore, **improvements in the electricity sector contribute to the justice of a JET by having a direct, positive impact on people and their standard of living, particularly for low-income and under-resourced communities.**

Table 1: Most recent comparable data between WC and CoCT for selected people and energy metrics

	WC	CoCT	CoCT
Population (million, 2018)	6,65 [9]	4,32 [10]	65%
Number of informal settlements ⁵ (2020)	763	464	61%
Number of households (million, 2018)	1,88 [9]	1,35 [10]	73%
Number of indigent households (2017)	349 484 [11]	213 424 [11]	61%
Percentage indigent households ⁶	19%	16%	
Unemployment rate ⁷ (2020)	24,8% [12]	25,1% [12]	
Household access to electricity (2016)	96,5% [13]	97,7% [13]	

The figures for access to electricity are approximately 10% higher than the proportion of households **directly connected** to mains electricity supply (e.g. 87,9% for WC in 2018 [9]). This difference is made up by access to electricity via another house (such as backyard dwellers), illegal connections and other sources. Over 75% of households with grid connection use a pre-paid meter for electricity in both the WC and CoCT [9].

Roughly 19% of households in the WC are classified as indigent (16% for CoCT), which means broadly that their monthly income is insufficient to meet basic needs, including energy. By extension, it is **indigent households that are most likely to experience energy poverty**: a lack of access to reliable and safe energy choices.

Measuring energy poverty can be subjective, so the proportion of income spent on energy is sometimes used as a comparative metric. A 2013 study estimated that 27% of households in the WC were energy poor as they spent more than 10% of their net income on energy needs [14]. Looking at electricity specifically, ongoing work by CoCT estimates the proportion of residential households supplied by the City and living in energy poverty is around 16%, which approximates the proportion of indigent households⁸. There are other ways to estimate energy poverty, and the percentage results and severity of circumstances may vary. **The point is that regardless of the estimated figure, energy poverty is a significant problem within the province**, and the cost of electricity was seen as a challenge for 18,7% of households in the WC during the 2016 Community Survey [15].

5. From an online presentation on the 30th September 2020: "13th Informal Settlement Support Programme Forum".

6. Number indigent households (2017 – as per table) divided by total households in 2017 (WC [9] and CoCT [78]) – rounded to nearest percentage.

7. Uses the 'expanded definition of unemployment', which includes everyone who wants employment, irrespective of whether or not they have actively tried to obtain employment. COVID-19 will have increased these figures, but these are the latest available from Stats SA at time of writing.

8. Personal communication, Sustainable Energy Markets Department. This estimate related to the number of household customers who meet the Lifeline Tariff requirements [77] and consume fewer than 250 kWh per month.

1.2 Government opinions on JET in the Western Cape

From our 2019 study, Remaking our Energy Future [1], we identified five 'building blocks' to form the foundation of a JET plan. These building blocks were presented to the scoping phase interviewees in this study. While the respondents agreed that all

are important, **'Accessible and affordable electricity' received the most support as a priority in the WC at this time.** The hierarchy that emerged from the interviews is shown in Figure 4. The three middle principles received more-or-less equal support.



Figure 4: Short-term prioritisation of JET building blocks in the WC

Rather than trying to find a consensus 'definition' for a JET in the WC, the interviews aimed to identify projects and activities that would fit with how officials viewed the basic understanding of the concept. Therefore, we aimed to **identify a set of actions** that fit under the umbrella of what constitutes a JET and, if successfully implemented, would improve the energy system and prioritise justice.

Within the wide range of responses, several interlinked action themes emerged (Fig. 5). Some of these are long standing measures that have not been adequately addressed, while others have become more pressing in 2020 due to the far-reaching effects of COVID-19.

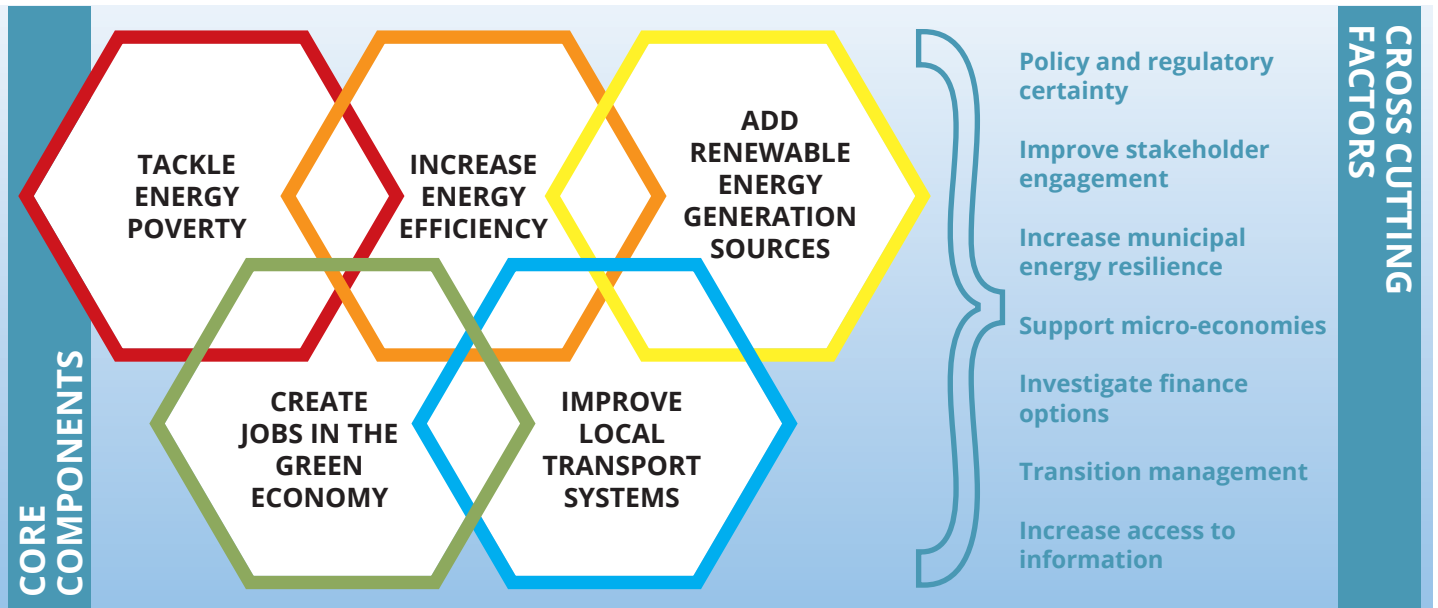


Figure 5: Main themes for a JET in WC emerging from scoping phase interviews

The five core components in essence speak most directly to *what* needs improving in the energy system, while *how* each is done (in part via the cross-cutting factors) will determine the extent to which the improvements embody justice. It is here that

civil society can play an important role – dovetailing with local government technical efforts to increase social equity in the way changes are made.

Core components

Tackle energy poverty

Notwithstanding the high rates of electricity access in the WC, there is also significant energy poverty. This, despite extensive efforts to alleviate it via cost and subsidy measures, indicates that it is a very difficult challenge to overcome and requires further attention.

Coupled with the increasing economic pressures due to COVID-19 disproportionately affecting low-income households, interviews revealed that **tackling energy poverty is a chief priority for a JET** in the province and at city level. Effort must be directed to several parallel areas:

1. To continue to increase electricity **access** and services to those who do not yet have electricity, via the most appropriate grid or off-grid technology.
2. To improve the **quality** of electricity supply, including safety in supply, particularly in areas where illegal connections are prevalent.
3. To address **price** as a barrier to use and find ways to shield under-resourced households from Eskom tariff escalation, which since 2007 has been 4,5 times the inflation rate.⁹

Some of the existing and potential ways that a municipality could change the customer electricity price include:

- Differential tariff scales: enabling low-income and vulnerable households to pay a lower unit cost.
- Free Basic Electricity (FBE): an allocation of a set number of free units of electricity per month per household. A variation of this idea is a basic energy grant where people receive the equivalent of a basic income grant, but through a token or another mechanism that ensures it can only be spent on energy services.
- Municipal financing: this may be in the form of subsidies to reduce the electricity price (a complex process), or profits from the sale of electricity used to cross-subsidise other services.
- Improving how electricity services, such as metering and billing, are managed and outsourced.

9. From 2007 to 2019, inflation (Consumer Price Index) increased 98%, whereas Eskom tariffs increased by 446% [80].

Increase energy efficiency



In terms of political acceptance for energy efficiency (EE), “It is the one thing that we do not find opposition to”¹⁰, and has the following advantages:

- Widespread support – from government to consumers
- Targets many levels – residential, business and industry
- Can be done quickly
- Reduces consumer bills
- Reduces electricity demand during load shedding
- Pays for itself as a financially smart choice
- Significant job creation potential – retrofitting, energy service companies, materials production, etc

As an example of cost savings, CoCT started an EE project in its own municipal operations in 2009, and was generating net savings by 2014, with cumulative net savings expected to be around R200 million by 2026–27 [10]. Currently the majority of EE projects in South Africa are at commercial and industrial scale, with only 8% in the residential sector [16].

Given the obvious advantages of EE, the discussion should focus not only on how to promote EE generally, but how this can be done at residential level so that more people benefit. All new buildings need to meet certain standards for EE, but how can increased retrofitting in existing homes be promoted? Interventions such as installing properly insulated ceilings and distributing compact fluorescent lightbulbs can reduce electricity consumption.

EE includes both technology and behaviour: more efficient lightbulbs save energy, but people need to make smarter choices about which lights to leave on and for how long. With Eskom load shedding likely to remain a risk until at least 2022 [17], the whole electricity system could benefit in the short term from rapidly ramping up EE technology and behaviour.



Add renewable energy generation sources



There are four broad categories for an electricity transition to lower carbon sources, distinguished by the scale of the generation facilities in megawatt (MW). All four categories can increase municipal energy security and assist with decarbonising the electricity sector.

Utility scale (>10 MW)

- In 2015 the Department of Energy¹¹ was approached by CoCT **to allow it to purchase electricity directly from independent power producers (IPPs) using RE** [18]. In the absence of a response, the City launched a case in the High Court in 2017. In 2020, interviewees believed that parties should try to resolve the matter out of court [19] and that, even in a best case scenario, it would still be several years before procurement directly from IPPs could materialise. However, “it will need to happen eventually so preparations can start now”.
- City preparations include assigning the work to a departmental division, examining the financing implications for consumers and drafting tender documents.

Distributed (1–10 MW)

- These sub-utility scale RE plants are seen as potential ‘big hitters’, in part due to the expected delays around direct procurement from IPPs at utility scale.
- The hurdle identified was **the red tape around licensing requirements**. Currently, any facilities over 1 MW that feed into the grid must be licensed with the National Energy Regulator of South Africa (NERSA) [20], a lengthy process. Many commentators have called for this threshold to be increased to 10 MW or more.



10. Quotations from participants are not accredited to individuals as the interview process was confidential. See Appendix 2.

11. The Energy and Mineral Resources departments were combined in June 2019.

Small-scale embedded generation (SSEG) (<1 MW)

- Government institutions can lead by example by installing solar photovoltaic (PV) on public buildings, schools, hospitals, etc.
- In the WC, 22 out of 25 municipal electricity distributors allow SSEG to connect to the grid, and 17 have SSEG tariffs [16], although the tariffs vary. However, the national regulations¹² state that the owner of the installation must be a **net consumer** (i.e. buy more units of electricity from the grid than is sold back). As a result, surplus SSEG electricity production is lost from the system. This ‘dumping’ of electricity does not make sense under circumstances where many people do not have adequate supply and Eskom is often unable to meet demand.
- The feed-in tariffs (payment for supplying electricity to the grid) and wheeling tariffs (payment for using the grid to transport electricity) need to be made attractive, to target entrepreneurs and empower consumers.
- CoCT has its own set of standards around SSEG, and the generation systems must be registered, but many owners have not yet done so [10].
- There is a need to make the grid system ‘smarter’ in the way electricity inflow and outflow are measured (e.g. including time of use) and linked to accounting systems.
- The information around residential SSEG regulations is not yet clear or uniform across municipalities, so there is a need for a repository of data for easy reference.
- CoCT is investigating **Property Assessed Clean Energy (PACE)** programmes – where the upfront costs of SSEG (such as installing a solar PV system) can be financed and paid back over time [21]. The SSEG system is then linked to the property, not an individual, and can be financed over a long period (10–20 years) as for a mortgage.

Off grid solutions for low-income households

In addition to the national off-grid electrification programme, the WC has other initiatives:

- For off-grid service delivery: identify the best technology choices in a consultative process. An example of this is the **Alternative Service Delivery Unit (ASDU)** run by GreenCape. This partnership “applies an adaptive co-design framework to facilitate community led energy provision” for those areas that are unserved or unserviceable in terms of electricity by way of the main grid [22].
- CoCT has a **Low-Income Energy Services (LINES)** Unit within its Sustainable Energy Markets Department. The unit’s work has included piloting portable solar kits for basic electrical functions.


Create jobs in the green economy



In general, interviewees had a holistic view that saw the green economy as part of a broader circular economy, but also applicable at municipal level. A key factor is to **identify opportunities in energy sector value chains**. A particular area of promise in the RE value chain lies in manufacturing, for example, components for solar and wind generation facilities. Such factories could coalesce in areas like the Atlantis Special Economic Zone (SEZ)¹³, the Saldanha Bay Industrial Development Zone and other green technology hubs. Interviewees also saw potential for economic development in ‘new’ industries such as battery storage and silicon production.¹⁴ The ports of CoCT and certain other towns in the WC could be used to harness trade and export opportunities. One such export could be green hydrogen,¹⁵ given increasing global demand and favourable production conditions in South Africa [23].

It was acknowledged that **job creation should pay particular attention to artisans**. The WC government has run projects to provide unemployed youth with training for the solar PV industry. CoCT has also offered heavily subsidised courses (up to 100%), advertised online, for electricians to become accredited solar PV installers [24].


Improve local transport systems



A huge part of the energy transition is planning for the shift to electric vehicles, particularly for public transport. There is a need for **proper integrated energy planning**, including how electrification of transport will affect electricity demand in the future. Preparing now will allow for smarter choices of compatible infrastructure and having enough RE sources online in time to cater for electric vehicles.

In addition to climate change concerns, electrification of transport could increase energy security as current liquid fuel supply relies heavily on imports [25], provided that the reliability of Eskom electricity supply improves. There are also advantages to shifting bulk transport to rail in terms of energy efficiency, but the train system in the WC will need major basic upgrades.

In the short term, improving fuel consumption (particularly of public transport) could help reduce emissions and travel costs.



12. These have been set by NERSA and affect all provinces.

13. Declared as a green technology SEZ and launched in December 2018 [26].

14. Silicon is the main raw material in the production of solar PV cells.

15. RE sources (green) generate electricity that is used to separate the energy carrier (hydrogen) from the oxygen in water through electrolysis.

Cross-cutting factors

Policy and regulatory certainty

This long-standing frustration voiced by civil society at national processes was strongly echoed among the interviewees. Concerns included the extensive delays in drafting and finalising the relevant documents, misalignment of objectives and then protracted, limited or non-existent implementation.

Furthermore, when provincial and municipal actions are blocked by aspects of national governance or legislation, this leads to tension. Some felt provincial and national government have different priorities in some areas.

As an example, the Atlantis SEZ is thought to have great potential for the manufacture of RE components for the local market. However, this requires a trusted timeline for new RE-build capacity that would provide adequate demand for RE products. This should be assured by the Integrated Resource Plan (IRP) for electricity infrastructure; however, the current IRP took almost 10 years to completion, has caps on the amount of RE and, even after gazetting in October 2019, no further allowed RE capacity had been procured by November 2020. This is despite the urgent need for more electricity facilities in the context of Eskom’s inability to reliably supply sufficient electricity and the importance of prioritising RE to help meet South Africa’s climate change commitments.

Investigate finance options

The key question is how JET activities can be financed. The Sustainable Infrastructure Development and Finance Facility (SIDAFF) is an example of a provincial-level institution that aims to secure funding for revenue-enhancing, catalytic and climate-resilient municipal infrastructure projects (including energy) [28]. GreenCape hosts a webpage [29] that lists a number of green finance resources that could contribute to JET actions.

Transition management

In terms of JT management¹⁶, this question provided by far the widest range of responses from interviewees.

Table 2: Interviewee responses to just transition management

WITHIN WESTERN CAPE GOVERNMENT	WITHIN OTHER STRUCTURES	FURTHER SUGGESTIONS
<ul style="list-style-type: none"> Strategic planning division Department of Economic Development and Tourism - Energy directive Department of Environmental Affairs and Development Planning - Climate Change directive 	<ul style="list-style-type: none"> “SALGA¹⁷ to a play bigger role” “City for city-level activities, with a forum of relevant stakeholders” “Municipalities, but there needs to be coordination of various municipalities.” “Transversal management system” 	<ul style="list-style-type: none"> “Should not only be public sector run – inclusive of communities and private sector” “Cannot be nationally run – too many competing interests” “Not top-down – too much of that already. Need a joint vehicle. Otherwise we will continue to see fragmentation.” Political level: Joint portfolio committees between province and city

16. This question was asked for JT rather than JET, given that management involves overseeing links between sectors and projects.

17. South African Local Government Association

Improve stakeholder engagement

This is a basic good governance and planning principle - prioritising the inclusion of those affected by a transition in the discussions on best managing the transition. Furthermore, it is critical that these people are involved from the **start of the process**, and not later as a tick-box exercise to claim stakeholder engagement.

Increase municipal energy resilience

This speaks to the importance of the local level in a JET, and how resilience can shield the vulnerable. CoCT is working on a municipal energy resilience strategy, to complement the published Cape Town Resilience Strategy [26]. Part of the motivation is “preparing for an alternative, parallel path, given the long history of national delays in power sector reform” and to increase energy security for the City as electricity systems become more decentralised. CoCT plans to prepare a mini-IRP for municipal-led procurement of electricity from IPPs and own generation sources in the WC [27].

Support micro-economies

This sector of the economy includes informal traders, small businesses and entrepreneurs. While the contribution of micro-economies to the gross domestic product (GDP) is low relative to large businesses, they **put bread on the table for many people**. The COVID-19 circumstances and lockdown restrictions hit these micro-economies particularly hard, emphasising the importance of this often-overlooked sector.

As important as “putting money into the right things” is, there is also a need to avoid investing in activities that effectively counter a JET. This falls under the broader notion of **divestment**. While this term is often aimed at fossil fuel companies responsible for greenhouse gas emissions, it can apply to any activities that are not aligned with a progressive socio-economic and environmental transition.

These diverse responses indicate that **JT planning within the province does not yet have an institutional home, and there is no shared understanding of who should manage the process in the future.** The role of municipalities was recognised as important, as they are best placed to manage local aspects of transition through area-specific governance and on-the-ground implementation of projects.

Increase access to information

Several officials independently highlighted the need to increase access to information around JET issues, as a pillar of good governance. This should promote:

- **Full transparency** – making all relevant information available
- **Clarity** – presenting data in an easy to understand manner in multiple languages
- **Pooling** – having relevant information in central repositories that are easy to find
- **Digital connectivity** – providing more people with internet access



1.3 Civil society reflections and suggestions for action

The scoping phase results were presented to a group of civil society practitioners active in the JT field. The aims of the discussion were to highlight areas where civil society could direct its efforts and to refine the focus topic for this research report. The following areas emerged as important concerns in the debate:

- **System change and good governance**
- **Ownership of production and distribution of energy**
- **Access and affordability of electricity**
- **Participation and community engagement**

There was a clear recognition that a JT is not only about replacing one technology with another and looking after worker's jobs, but it is also linked to overall system change

and good governance. Participants felt that we need to look at the technological change through bigger lenses to make it part of institutional change.

One part of the solution to the current energy situation in South Africa is a change in the energy ownership model. Energy production and distribution could be made progressively more socially, community or municipally owned. Concrete ideas on making these options financially and practically sustainable are needed, especially for SSEG and micro-grids. While these views are not in conflict with the responses of the scoping phase interviewees, civil society appears to place more importance on ownership *at this time*, whereas those in government seem more concerned with getting energy to those that need it rather than adapting ownership models in the short term, particularly in these strained post-COVID-19 conditions.

Everyone in the peer group discussion agreed that access to and affordability of electricity are major challenges. Many households may have access to electricity but, because of economic circumstances and above-inflation tariff increases, they cannot afford sufficient electricity for basic monthly needs. A JET including energy-directed basic income grants and changes to the FBE policy could be a possible step in the right direction.

Another factor highlighted was the need to ensure people’s dignity during a transition, which can in part be addressed by meaningful participation in the process. Community expectations regarding energy need to be known and factored into decision-making processes; on the other hand, access to information and empowerment of communities are equally significant. There needs to be regular, two-way communication between service providers and consumers.

Suggestions for action

On reviewing the interview findings, we identified some specific actions that could be worth investigating further, often combining several local JET themes to maximise the benefits.

The suggestions below are not exhaustive, but rather a selection of ideas and knowledge gaps for others in this field

to pick up. They focus on the justice imperative rather than on required technical changes.

Recommendations relating to energy poverty and stakeholder engagement (particularly with communities) are discussed in Part 2.

Increase energy efficiency

Successful companies are more likely to finance upgrades themselves, so a JET should **evaluate how to enable all sectors of society, particularly low-income households, to access and benefit from EE**. This could create jobs, reduce energy costs and improve the standards of living in the sector

of society where they are most needed. Dedicated funding for increasing EE in under-resourced communities should be ring-fenced to enable access to both EE technology and appropriate training. EE should be standard in government-built houses.

Add renewable energy generation sources

In terms of bringing RE online, justice considerations include:

- **Regulatory reform** – moving toward practical rules that track new installations (particularly for safety reasons) in a way that encourages investment. Any licensing or registration process should be inclusive and rapidly processed. Regulations may need revision if the thresholds for distributed generation are increased.
- Integrated cost modelling to inform the setting of **equitable electricity tariffs** for grid consumers. The effects of adding new facilities in a distributed system should be understood so that costs are not transferred to those who can least afford it (Fig. 6).
- Once the above issues have been addressed, there should be **incentives for households and businesses** to become energy secure and contribute to decarbonising the electricity sector. This is a highly complex problem¹⁸ that needs to be thoroughly investigated, as it far more involved than simply offering attractive feed-in and wheeling tariffs.
- In the absence of a business case for SSEG for low-income households, research is needed into alternative ways to include them, possibly via community-level projects.

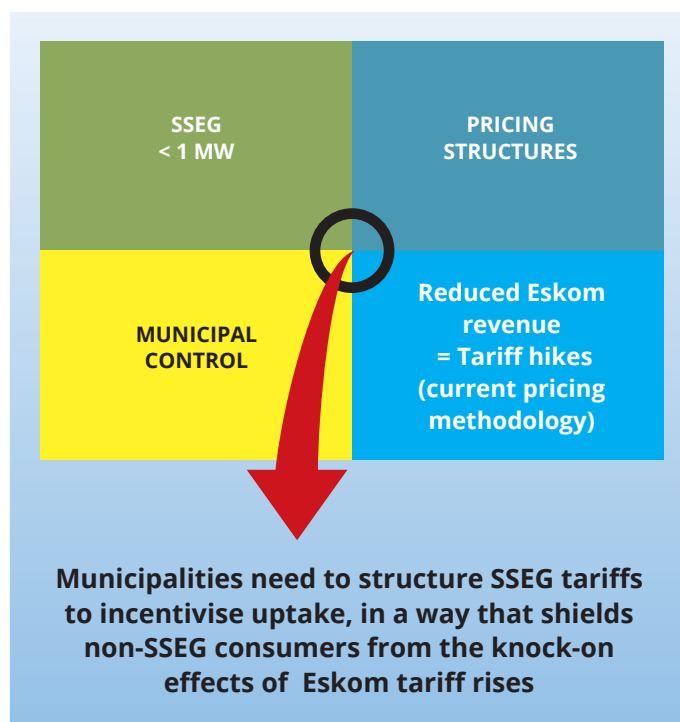


Figure 6: Incentivising SSEG without negative knock-on effects

18. The complexity includes solving problems around the time of electricity generation or use. Typically, owners of SSEG in the form of solar PV want to sell their excess during the day when overall demand is low and Eskom electricity is currently cheapest. Incentivising these sales could effectively subsidise mid- to high-income households but reduce revenue available to assist low-income households. Uptake of battery storage and electric vehicles are other factors linked to supply, demand and pricing of SSEG.

Create jobs in the green economy

Unlike Mpumalanga where a JET priority is finding alternative work for coal sector workers, in the WC, the priority is **overall job creation** for local people in the green economy. If possible, job opportunities in the sections of society with the highest current unemployment should be prioritised, but this must be done across the energy sector, not just for new

entrants to the sector¹⁹. The expected skills demand during the energy transition should be balanced with the provision of relevant training. Research is needed to better understand the role of green hydrogen in the energy mix, both nationally and provincially.

Improve local transport systems

Improving public transport in general (including safety, cost, regularity, punctuality and routes) contributes to a JT as it allows more people to participate in economic activity. Time

is used more productively with fewer delays or irregular service. Mobility also improves the quality of life with access to entertainment and recreation.

Municipal energy resilience

Work should be done with residential groups where energy poverty is prevalent. Programmes should be designed in a way that **specifically boosts resilience in these vulnerable communities**, including creating additional income-generating streams. Municipalities should be given greater

autonomy to carry out their constitutional responsibility for electricity distribution. Plans are needed for a municipal public transport system powered by municipally owned RE-generation sources.

Micro-economies

The **informal sector must be factored into energy transition planning**. Providing jobs in this sector of society will help to uplift it financially.

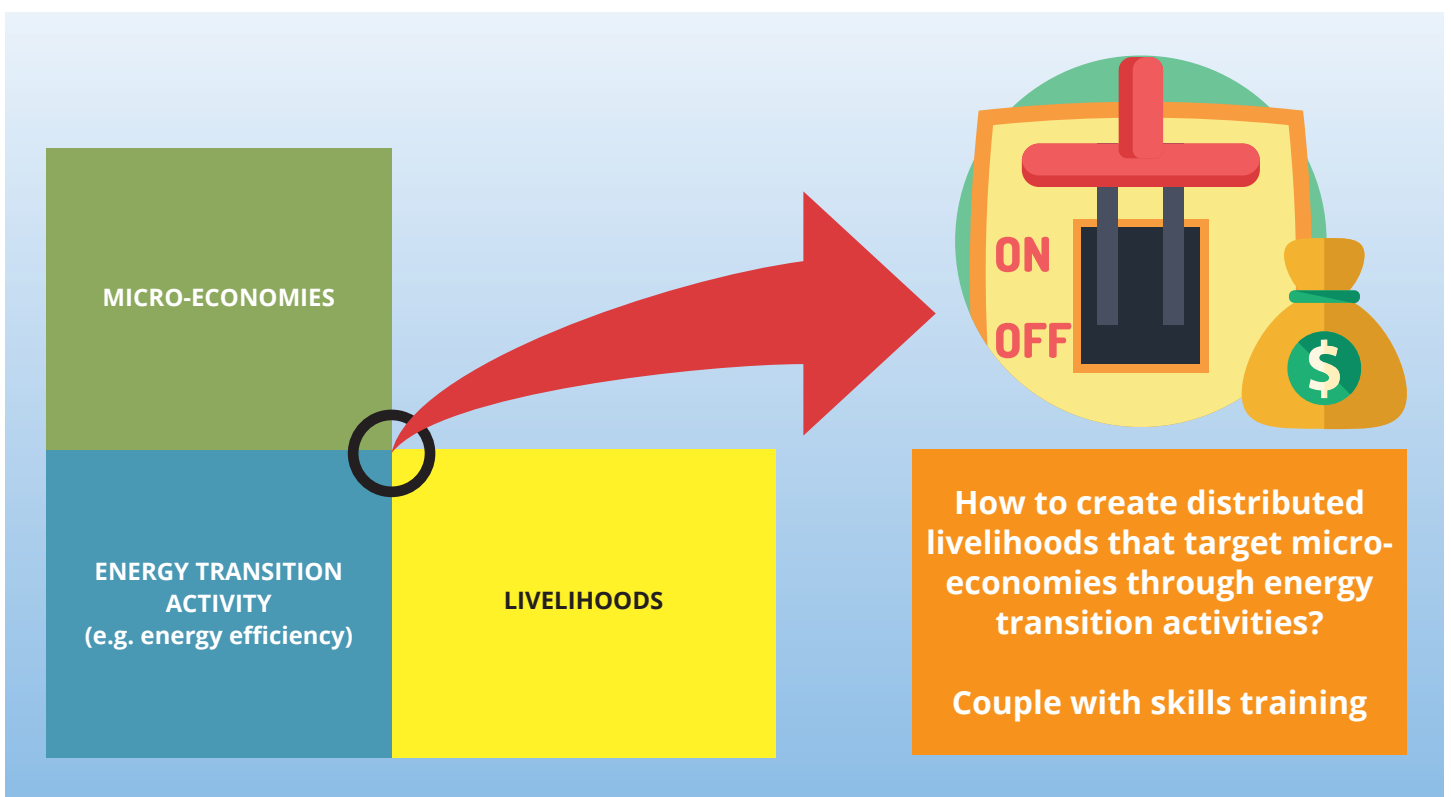


Figure 7: Using an energy transition priority to provide jobs where they are most needed

19. Placing such requirements only on new entrants like RE companies is not just – rules must apply across the board.

Finance

Budget allocations need to support JT. An example where this has failed is in the 2020–21 budget adjustment from the Department of Mineral Resources and Energy (DMRE), where the largest budget cut of R1,5 billion was to the electrification of poor households while ‘handouts’ to the nuclear industry remained untouched [30]. Even with good governance, the national and local budgets are strained, but there are **alternative sources of funding**²⁰ if there is the political will to explore them [1].

The notion of a **Just Transition Transaction** is gaining traction [31]. In essence it allows access to international climate finance, provided certain emission reduction criteria and other conditions are met. Coupled to this are funds to

assist the transition process [32]. While this idea is currently being developed primarily with Eskom and Mpumalanga in mind, a similar approach could be investigated for the WC.

Financial rules must also align with a JET. While the recent amendments to the Electricity Regulation Act [33] are potentially a positive step toward allowing municipalities to procure RE from IPPs²¹, this is restricted to those in good financial standing [34]. This is understandable from a business perspective but, seen through a justice lens, this promotes further entrenchment of inequality across the province. What can be done to assist municipalities that are struggling financially to become more energy-secure?

JT management

While an economy-wide JT involves many sectors there is a real need for one ‘conductor’ to ensure each member of the ‘orchestra’ plays their part. There is a need to organise

necessary stakeholder engagement and then **define, establish, and capacitate a suitable entity to plan and oversee JT work in WC.**

1.4 Focus phase topic selection

The scoping phase of this project provided many possible areas of focus, but we needed to choose one that was relevant to improving JET in the WC. It needed to be one supported

by those in a position to effect change, and aligned with the strengths and experience of Project 90.

Four criteria guided our topic selection:

1. It was very clear that representatives of the provincial and city governments recognise the need to tackle energy poverty, exacerbated by the economic effects of COVID-19. The JET building block of “accessible and affordable electricity” received widespread support from interviewees as most important for the current, local context.
2. The sequential framework for JT planning that emerged in our last study [1] places broad and representative stakeholder engagement as the first step. The principle is that, when dealing with energy poverty, those people most affected by energy challenges should be involved in solution development from the outset.
3. Project 90’s energy-focused community engagement work over the years has revealed that local-level systems in energy service planning are insufficient and do not meet community expectations. This concern has been echoed in many conversations with CSOs: those living in energy poverty are often not engaged when the issues and solutions are being discussed within municipal integrated development planning (IDP) processes.
4. In South Africa, municipalities are mandated to manage electricity supply and there are benefits to increasing the role of municipalities in managing energy sector improvements, particularly at community level [25].

We thus settled on a research topic:

Tackling energy poverty in the Western Cape, with a focus on improved community engagement, particularly at municipal level.

The procedural justice priority here is to meaningfully include communities that experience energy poverty in developing solutions to these challenges. (Fig. 8)

20. Some examples are carbon tax revenue, fossil fuel subsidy conversion, company transition tax, international green and climate finance, Public Investment Corporation (PIC) funds and money recovered from tax avoidance.

21. This was still at the discretion of Minister of DMRE at the time of writing.

Provincial structures can support municipalities in developing such systems, where the types of energy issues raised earlier

in this chapter can be discussed, along with other topics of importance to communities.

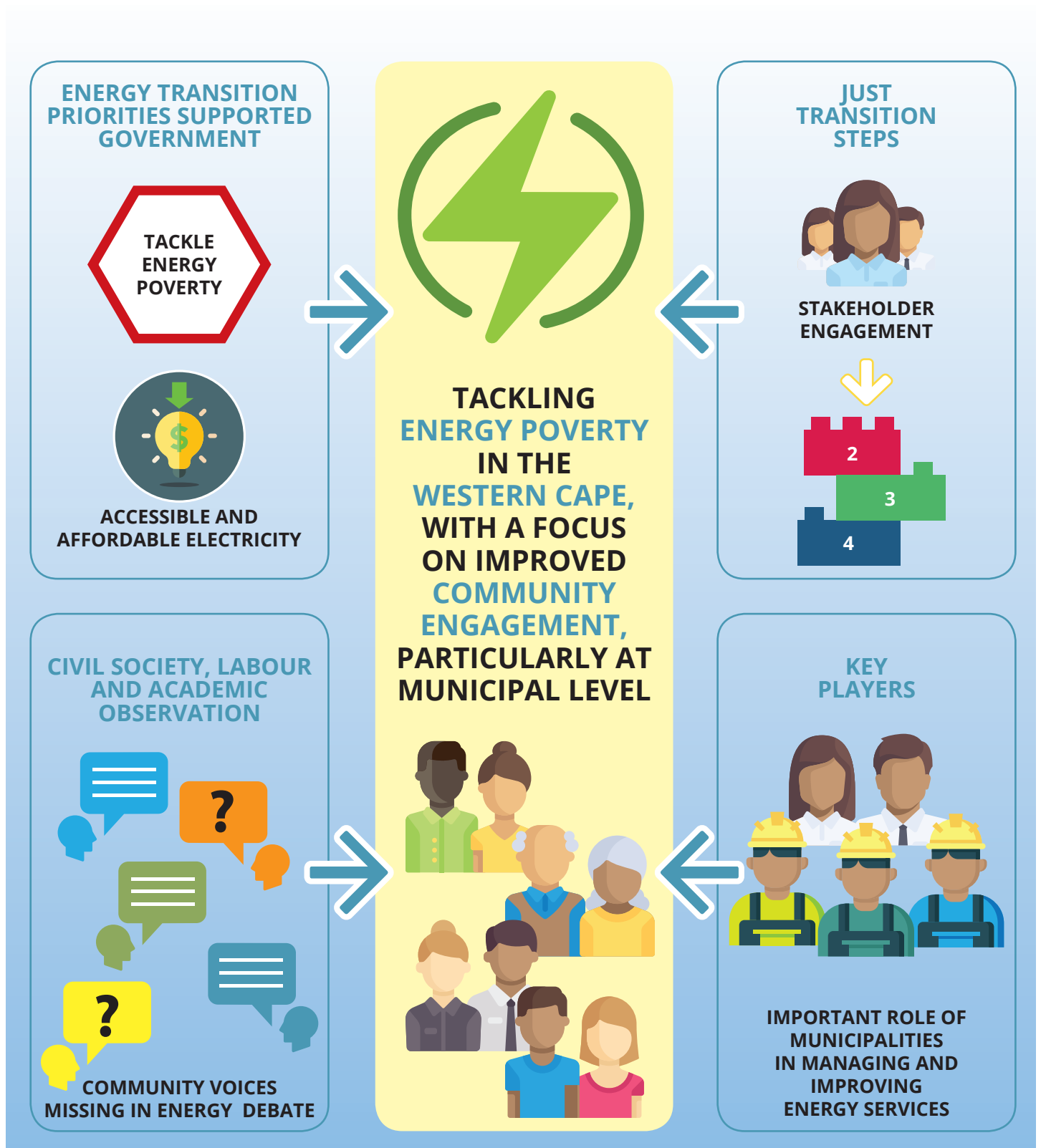


Figure 8: Focus phase topic development

Part 2

Tackling energy poverty, with a focus on improved community engagement

This phase of the research uses a closer lens on energy poverty in the WC and examines the extent to which the systems currently in place support community engagement. In assessing the level and extent of engagement, we first establish what is expected of government and municipalities in relation to providing and managing energy poverty.

We then consider present legislation governing public participation. This is followed by a summary of the views of respondents (from government, civil society, community and youth) on the range of current engagements. Finally, we identify patterns and themes to build recommendations to foster improved community engagements.

2.1 Context of energy poverty in the Western Cape

Energy poverty

The founding provisions of the Constitution are built on “human dignity, the achievement of equality and the advancement of human rights and freedoms” [35]. Whilst energy is not expressly recognised in the Constitution as a human right, it is required for basic human needs such as cooking, water heating, lighting, communication and space heating. It is, therefore, implicit in the founding provisions and Bill of Rights.

Energy poverty can be understood primarily as a lack of access to reliable and safe energy choices. This is often coupled with thermally inefficient homes and high expenditure on energy compared to disposable income. Thus, poor households will spend more than 10% of their net income²² on energy services, compared to 2–3% for mid- to high-income households.



22. In 2013, 43% of South African households were deemed to be energy poor [14].

From 1994, the Reconstruction and Development Programme (RDP) built over three million houses for the poor. Many were built initially without ceilings, directly affecting thermal efficiency [36]. Electrification provision increased from approximately 50% of households in 1994 [37] to 84,7% in 2018 [9]. The 1998 White Paper on Energy and the later Energy Act (2008) both emphasised the need to increase access to affordable energy services in order to meet the basic needs of the poor [38], [39].

South Africa has seen a growth in informal settlements and 'backyard shacks' particularly in urban areas as poor people migrate to towns in search of better lives and work. This is where energy poverty is most visible. Informal settlements are erected on land often not eligible for residential development, meaning that access to basic services including electricity is severely compromised or non-existent. Lack of decent roads may prevent suppliers from installing and

maintaining electricity infrastructure. Despite various policies and strategies, government cannot keep pace with the demand for housing and electricity and, as even more people migrate to cities, so informal settlements are increasing [40].

Most people want access to grid electricity and consider alternative sources as inferior. However, the ability to use electricity is not simply about being connected to the national grid or receiving electricity from alternative sources such as solar panels - it is also about affordability. Research has shown that many poor households, even when connected to the grid, continue to use unsafe, poor-quality fuels such as paraffin, coal and biomass to meet their energy needs [36].

To tackle energy poverty, we need to know who in government is responsible for providing energy and to what extent they are constrained in meeting their mandates.

Government responsibilities around energy

The Constitution sets out the powers and functions of all three spheres of government: national, provincial and local

(municipal) [35]. Energy rests strongly within the national and local spheres of government (Fig. 9).

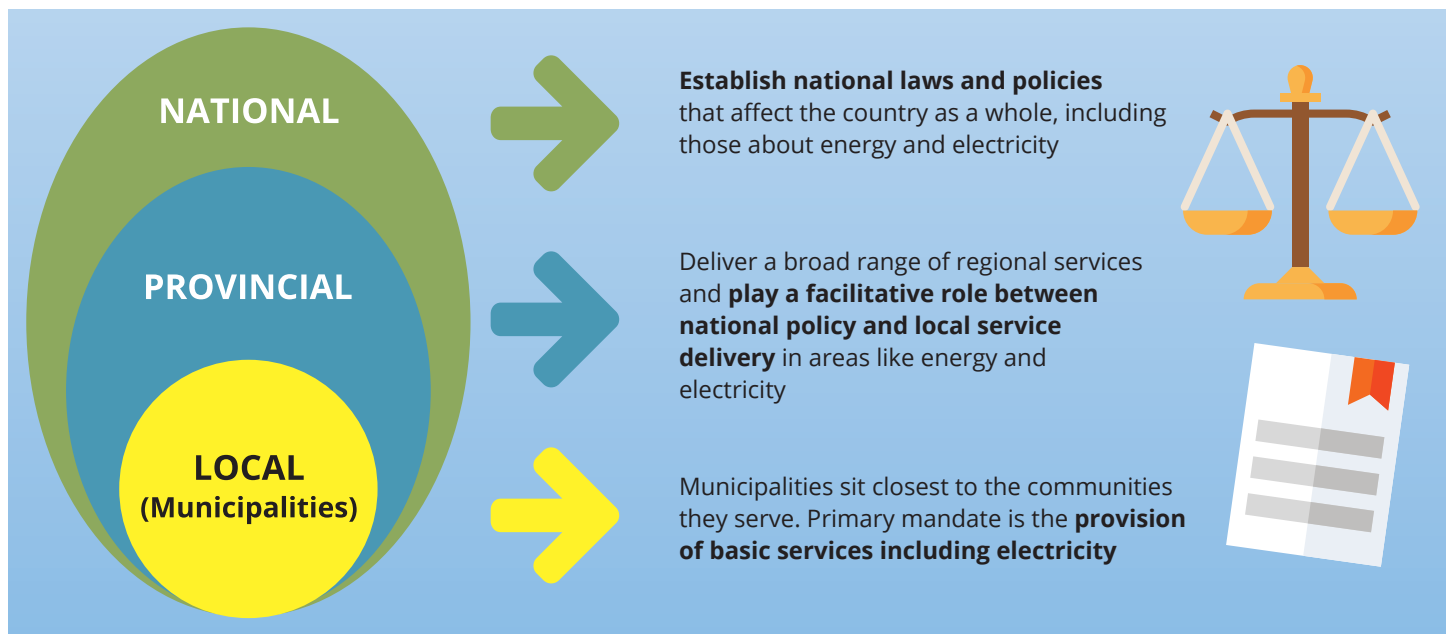


Figure 9: Broad mandates and responsibilities of the three spheres of government in relation to energy and electricity

Key to the Constitution is cooperative governance or close collaboration and coordination of actions between spheres even though each has a distinct functional responsibility. Although energy sits only within the local and national spheres and is not a provincial mandate, energy is transversal, not only between departments within one sphere, but also across all spheres of government. It, therefore, requires cooperation and alignment.

International lessons highlight the importance of local governance structures in JET [1]. There are three categories of municipalities: metropolitan, district and local. Districts are responsible for and oversee several local municipalities in their area, while local municipalities comprise wards employing ward councillors. The WC has one metropolitan municipality (CoCT), five district municipalities (Cape Winelands, Garden Route, Overberg, Central Karoo and West Coast) and 24 local municipalities within the five districts [41].

Constraints on municipal provision of electricity

National government introduced two policies to assist with the affordability and subsidisation of electricity for the poor. The first is **Free Basic Electricity** (FBE, 2003) which allows for the provision of 50 kWh free electricity per month per household [42]; the other is **Free Basic Alternative Energy** (FBAE, 2007) introduced to support households not connected to the grid with an equivalent of R55 per month²³ towards purchasing alternative fuels [43]. The intention of the FBE policy was to provide poor households with sufficient electricity to meet their basic energy needs. However, the amount allocated by municipalities varies²⁴ and it is now generally accepted that 50 kWh is barely enough to meet most household energy needs. Another measure introduced by national government in 2010 is the **Inclining Block Tariff** (IBT), or 'stepped block' tariff, where the price of electricity increases as the rate of consumption increases [44].

The allocation of FBE comes from a national grant called the **equitable share grant** which is not ring-fenced for electricity alone but assists municipalities in providing basic services to its residents. The shortfall (and there is a shortfall) is to be found from the municipality's own revenue sources such as the sale of electricity and property taxes. To increase their revenue stream, municipalities rely on mid- to high-end users to cross-subsidise basic services for the poor through buying and consuming more electricity at a higher unit cost. However, as more high-end users turn to rooftop PV and other energy-efficiency measures, that revenue stream is diminishing.

Initially the equitable share grant was sufficient for municipalities to provide basic services. With the decline in economic growth, higher bulk electricity prices from Eskom and fewer businesses and high-end users cross-subsidising the poor, **municipalities are struggling to balance their books**. Electricity price increases approved by NERSA are not based on what is affordable for consumers. A significant proportion of a municipality's electricity costs is a fixed monthly amount that should be used to cover their infrastructure and maintenance costs. The remainder is sold to customers at a rate that is not fixed; however, many municipalities raise these prices to generate more income.

Analysing who receives FBE is not simple for several reasons. How municipalities identify and target poor households varies: for some it is based on an indigents' register²⁵ [45] and for others on the monthly electricity consumption. The latter can be problematic: for example, where two or more households share one meter (such as backyard dwellers), they are likely to consume more than the maximum electricity to qualify for FBE and will be classified as high-end users and penalised

through higher prices. This is termed an **error of exclusion**, where those who should receive the subsidy do not. There are also **errors of inclusion**, where middle- or high-income households receive the subsidy, often because their electricity consumption is low.

Another challenge is that both **Eskom and municipalities are licensed to distribute electricity, but their areas of supply may overlap, causing tension**. Electricity reticulation and the provision of basic services are municipal mandates; therefore, municipalities are responsible for the provision of FBE, even in Eskom distribution areas. **Differing tariff rates for Eskom and municipalities** compound problems, leading to frustration within communities who may not understand the different rates.

Municipalities are facing huge financial problems which have an impact on their ability, not only to provide free services but also to fund their general operating costs. A 2020 research report suggests "that in aggregate, local government is probably only able to fund less than 50 per cent of (current budgeted) operating expenditure from property rates and service charges, with the funding gap being greatest outside the metro areas" [46]. **Essentially local government does not receive sufficient income from national transfers and grants to provide services for all or to maintain the infrastructure required to deliver those basic services**.

Municipal financial challenges are further compounded by ineffective management, corruption and wasted expenditure through vandalised infrastructure, meter tampering, illegal connections and dumping, all of which have cost implications for municipalities.

A further problem identified related to illegal connections and meter tampering. The city and other municipalities expend considerable resources in disconnecting illegal connections and tracking meter tampering. The customer pays to be reconnected. If clearer information were available, the customer would understand the consequences better.

Clearly, municipalities have limited budgets and must make hard decisions about which basic services they will subsidise and what remains for other expenditure. Communities may not know these details, so there is an **opportunity for municipalities to engage with communities and explain their side of the story**. This also provides an opportunity for input from communities about which services they need the most rather than the municipality making the decision on their behalf.

23. To be increased annually by inflation rate plus 1,5%.

24. Based on several variables including average monthly consumption and property value.

25. An indigent household is generally classified as one with an income that is insufficient for basic services and require assistance, but the threshold amount and conditions to qualify vary between municipalities.

While municipalities can influence planning in their areas of jurisdiction, they are governed by regulations, laws and their mandates. They are constrained by revenue, resource capacity and procurement frameworks such as the Municipal Finance Management Act (MFMA). All of this affects their ability to deliver, implement and develop their plans and strategies [47].

The fact that there is no legislation or mandate for addressing energy poverty, other than policies such as FBE,

puts additional strain on municipalities delivering on their development agenda.

It is apparent that the issues around electricity provision are complex and potentially problematic given how municipalities are funded, and how the different tariffs and subsidy allowances are implemented. Before we can assess to what extent communities are engaged in decisions relating to energy poverty, it is necessary to look at the systems in place for public participation and engagement at government level.

2.2 Public participation and stakeholder engagement

Legislation and frameworks

Public participation resides at the heart of the Constitution and the country's democratic governance principles. The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organisations in the matters of local government" [35].

This means that all spheres of government making decisions, laws and policies require public participation engagement: those who are affected by a decision have a right to be involved in forming and developing it.



The first **National Development Plan 2030** (NDP 2011) envisions a country that is free of poverty, where inequality and unemployment are greatly reduced, and the economy has grown. Fundamental is the concept of an 'engaged citizenry' which includes people taking responsibility for their own wellbeing [48].

In tracing a selection of government documents over time, it is evident that many speak explicitly about an engaged citizenry and public participation, while others seem to assume that responsibility for such a process is held by civil society.

The **White Paper on Local Government** 1998 encourages municipalities to engage in participatory measures to enhance delivery of services and refers to the "history of a strong civic movement...popular participation, and the development of principles which will underpin local government structures through the years of struggle". The paper is clear that "local government is committed to working with citizens and groups within the community to find sustainable ways to meet their

social, economic and material needs and improve the quality of their lives". Participation should be based on structured processes [49].

The Local Government: Municipal Systems Act of 2000 contains a public participation chapter guided by the principle that formal representative government must be complemented by a system of participatory governance, including creating participatory conditions for communities, residents and ratepayers in municipalities [50].

The **National White Paper on the Energy Policy** 1998 encourages the coordination and provision of information to households. It states that stakeholders will be consulted [38].

In 2013 the Legislative Sector of South Africa produced a **public participation framework** [51] which outlines an aligned and accountable structure for public participation and education. It tracks South Africa's history of transformation from an authoritarian state to a representative democracy brought

about through strong social movements and mobilised communities. Government policy must be influenced and born out of the needs and views of residents, maintained through an 'activist Parliament and legislature' involving all citizens actively in governance and service delivery. The framework talks about public education, outreach and information dissemination. It suggests tools such as committees, public participation units, petitions, public hearings and social media. To succeed, public participation must inform, consult, involve and be collaborative. In fact, the new emblem for Parliament includes the words "we the people".

The recently developed **District Development Model** (DDM) is aimed at improving governance and coherent service delivery through intergovernmental coordination and local social compacts [52]. It focuses on joint planning

and implementation with local, district and metropolitan municipalities resulting in one coherent plan. President Ramaphosa has called for the implementation of "a new integrated district based approach to addressing our service delivery challenges [and] localised procurement and job creation, that promotes and supports local businesses, and that involves communities...", with a focus on cooperation between the three spheres of government. The DDM "is a practical Intergovernmental Relations (IGR) mechanism to enable all three spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison" The President's October 2020 Economic Reconstruction and Recovery Plan Address acknowledges that government is seeing progress in the alignment of work as a result of the DDM [53].

Platforms present in the Western Cape

The legislation compels government to talk to the people it serves and to obtain their input. It is, therefore, the responsibility of government and particularly municipalities to enable and create the conditions for participation and engagement with its residents and community groups. Even though there **no formal legislated procedures on how to engage, government departments are doing so to some degree** through various mechanisms. The WC Government has some formal measures and systems in place to communicate and engage with people. It also provides information such as changes in bylaws or new strategies and disseminates calls for public comment. Some of the mechanisms of information dissemination and communication include government websites, newspapers, radio, social media and public libraries.

Many government departments organise **special fora** on different topics inviting a range of stakeholders and community representatives. They hold public hearings. Structured participation takes place through council and ward committees which members of the public can attend. Some municipalities run **roadshows and imbizos**²⁶.

Ward councillors are an important source of communication, providing an interface between the local authority and the communities they serve. Ward councillors are political appointments, responsible for resolving residents' individual problems, providing information on municipal matters and public participation meetings, and generally assisting the community.

The WC Government has a dedicated page on its website explaining people's rights with regard to public participation [54]. It states that **legislation passed without facilitating public involvement will result in the law being invalid** and that it is essential that people should influence decisions affect their lives. CoCT website has information on ward councillors and meetings, a dedicated page on energy with links to documents, and user-friendly infographics. CoCT regularly publishes items for public comment. Many municipalities such as the Garden Route District hold public participation fora on different themes and topics such as climate change. In developing strategies, plans and bylaws, the provincial government, district and local municipalities put draft documents into the public domain for comment before these are finalised.

The **Integrated Development Plan** (IDP) is an overarching five-year tool for strategic planning and budgeting, updated annually. How municipalities engage in public participation for IDP planning is left to them. The town of George operates **mobile IDP units** to consult with rural areas and the ward system to engage with communities. The current George Municipality IDP states that "the ward-planning model is integrated into the local government planning system, is replicable, and brings poor people into the planning and management of programmes and projects that affect them in partnership with the municipality" [55]. CoCT website explains the IDP and who should be involved namely, "councillors, executive committee, traditional leaders, ward committee members, heads of departments, advisors, community groups, community representatives, and you!" [56].

26. A traditional gathering, often between leaders and members of the community, to discuss general issues or a particular problem.

2.3 Evidence of engagements on energy poverty

In essence, the systems are in place and at a formal level public participation does occur. However, from several interviews with government officials, politicians, civil society, community and youth, meaningful engagement with low-income communities

is not happening generally, even less so when dealing with access to and affordability of electricity. A summary of respondent comments is given in the following sections.

2.3.1 From the side of government

Western Cape Human Settlements Department

Access to electricity and energy is not a provincial mandate but, the WC Department of Human Settlements (DHS), **Informal Settlement Support Programme (ISSP)** addresses some of the challenges associated with community engagement [57]. Provincial respondents said that legislation does not give guidance to provincial and local governments on the challenges and possible solutions regarding the growth of informal settlements. The ISSP was set up to assist in addressing the challenges facing informal residents but, although the programme was started in 2016, implementation began only in 2018. The DHS realised that communities were not adequately involved in the upgrading programme and process. This involved working closely with eight grassroots CSOs who could assist in the participatory planning. They said that the **communities needed to be capacitated to understand the challenges** and needed clear and accessible information. The ISSP driver acknowledged that communities

must be fully involved in and take ownership of decision-making processes, resulting in a social compact to bridge the trust deficit.

DHS said that in areas where a non-governmental organisation (NGO) or CSO is active and trust has been established, the programme has been fully effective. Where this is not the case and communities are not engaged, they have witnessed vandalism and violence. The programme operates without funding or bulk infrastructure, so pace of delivery has been slow. To bridge the cross-sectoral silo mentality, the ISSP works across sectors and departments. A DHS forum brings all sectors together to showcase best practice and solutions to common problems. DHS recommends that its programme be institutionalised, to ensure communities are engaged in identifying the problems and are really heard, including work with the NGO sector.



City of Cape Town

To manage and respond to energy poverty the City's Sustainable Energy Markets Department established a **Low-Income Energy Services unit** (LINES) in 2017, to address CoCT's electricity and energy business models. The aim is not only to protect the City's future sustainability in terms of costs, but also to tackle the challenges of affordability for poor households, all within a sound economic, efficient and environmental framework. The unit, its low-income energy services strategy and the LINES project were born out of stakeholder engagement processes involving civil society, academics and city officials, but without direct engagement with low-income communities themselves.

All CoCT respondents recognised that while **engagement with communities is important, it is difficult and not happening at the level legislation requires or that the City hopes for**. There is no solution fitting all communities so individual solutions must be found. A suggestion was that **an independent or community liaison person is essential** and could assist in the process of community engagement. This would involve building trust between the community and the local authority. City officials are sometimes seen as authoritarian and poor at interacting with citizens. An important point raised is whether, by engaging with the communities on energy poverty in particular, the City is raising expectations that it cannot meet.

According to respondents, a fundamental failing of community engagement efforts is that the City does not provide adequate information and communication to communities, specifically on energy.

Respondents said mainstream media does not reach all people, especially the poor, and consultation needs to be conducted in the right way and at the right time so that it is

Local municipalities

Interviewed officials from smaller municipalities noted that public participation, for instance in the IDP process, is more about compliance and a clean audit than real engagement. The systems are in place but in practice do not work. This sentiment echoes those raised by participants in Project 90's Energy Smart Citizens in Action project [58].

It seems that there is limited interest and skill in commenting among residents. One respondent said that comments received were very uninformed, which points to the need for better information. Often the only people who do comment are from mid- to high-income households, where issues are better understood, but this biases the feedback.

Where there is engagement, one respondent said that the same challenges and comments are raised from one year to the next, indicating that the municipality is not meeting the

not simply a box-ticking exercise. There is a need to provide high-quality and accessible communication, information and education. However, to engage and communicate in this way would require human and financial resources that neither CoCT nor other WC municipalities have, especially if tailored solutions are to be developed.

Although the LINES unit established a task team comprising NGOs, academics and practitioners as a platform to share knowledge and promote collaboration, respondents recognised the gap: to address this they are **developing a communication strategy**. This is important in building the bridge between intention to engage with communities and actual engagement. Firstly, there is recognition that there should be better alignment and cooperation between departments, given the cross-cutting nature of energy and poverty. Secondly, this would assist in the implementation of community engagements because it would answer key questions about who communicates, what they communicate, and to whom they communicate. The messaging and the processes need to be developed.

One respondent said there is a need to look beyond formal mandates and policy in providing basic services and consider acceptable alternatives. To accomplish this, there is a need to work outside the system in its current form.

Perhaps to this end, CoCT is investigating a model to implement FBE through a pre-payment coupon/vending system for households for free gas, equivalent to the 50 units of electricity. This could provide half the household's monthly cooking needs. Once the feasibility (regarding technical, implementation and financial factors) of such a programme has been established, the City intends to consult with communities.

needs (or desires) of the communities. This understandably leads to frustration from the community and could contribute to ongoing service delivery protests. From the perspective of the municipality, poor communities do not always recognise the existing structures and work, causing frustration for the municipality. Protests may also result in the work being stopped or delayed.

Often public participation meetings are held in isolation from other key departments and stakeholders. Attendees raise issues that might not fit into the convening department's specific mandate. Government representatives then become messengers between communities and other government departments. This is neither efficient nor sustainable, nor does it help in building trust. This is indicative of a lack of coordination and cohesion, not only between departments, but also between project managers, community leaders

and councillors. Departments work in silos and focus on one key performance area and their mandate and then report on how their money was spent. The five-year cycle of political government appointments and planning such as

the IDP means that there is effectively no long-term vision and strategic thinking. The smaller municipalities lack staff to think and work strategically which means they are always “putting out fires”.

Ward councillors

The ward councillors can play an important role in the interface between the community and the municipal officials. The success of this role depends on the ward councillors themselves, their commitment and the kinds of communities they are working in, namely high-income or low-income wards. Some ward councillors send out their own newsletters by email containing information on municipal matters, some use WhatsApp, Facebook and other social media tools as a form of communication. However, visiting people’s homes and being ‘on the ground’ is key to hearing

and understanding the issues without relying only on high-level meetings. Residents, especially the poor, are generally not interested in commenting on what does not affect them. One respondent asked why the poor would comment on a bylaw on dog walking when they are trying to survive and put food on the table. Poor people steal electricity because they simply cannot afford to pay for it. The councillors suggest that officials should go to the communities and work through a community liaison person, the community leader and CSOs so that everyone collaborates to the same end.

2.3.2 From the side of the people

Civil society

Many CSOs working directly with communities have an enormous amount of experience and knowledge that could be built on and brought into the government arena. In this section we explore what is currently happening and the insights of a range of organisations.

All civil society respondents said that before embarking on collaborative solutions and energy plans, there must be an understanding of household energy uses and needs. With an accurate picture, all those involved will have information

for developing solutions. That picture must be verified as accurate by the community. This research should not be conducted by external consultants but by enumerators or data collectors who include community members and people the that the community has had a say in appointing. Enumerators require skills development in collecting and collating information. They need to know the right questions to ask and how to listen so people will talk. The right people need to be contracted so it was suggested that it is best to work through a mandated community leader.



In terms of energy needs, a household might spend R50 per week on candles. Questions asked could be: Which alternative inexpensive energy sources are available? What are individual households paying for energy and which energy sources do they use? What is the priority for the community? While not all problems may be solved, each community needs to determine its own priority points of entry.

The CSO respondents all stated that it is only in this way that the engagements can become inclusive and **co-designed** so that the community can take ownership in developing its own brief. They also suggested the need to appoint community liaison workers as a link between the municipality and the community. This is the role most of the CSOs play and is recognised by government.

One interviewee said that many projects have some consultation built in, but this often tends to be more a means of informing people rather than real debate on the issues. It seems that **sometimes the consultation process is set up to convince a community of the value of a particular project rather than to hear their opinion on project design.**

The civil society respondents all spoke about working with **relationships** and working through a process to **build trust** and understanding between the community and the municipality so that both are aware of their roles and constraints. At the outset it is essential to be conscious of **power dynamics** and how these might influence engagement. Some the municipal officials noted there are few, if any, options to change the status quo in relation to access to and affordability of electricity given the limitations they operate under.

GreenCape have worked in Witsand [59] , Freedom Farm and Malawi Camp [60] informal settlements situated in Cape Town.

These case studies are witness to the success of empowering communities through good engagements that do not simply fulfil bureaucratic requirements. In one community street, lighting was seen as the most essential need because residents walk up to 1 km to reach toilets; in another, home lighting was important.

In Witsand lowering cell phone costs was one urgent need identified. Most households spend more than 10% of household income on this. The ASDU teamed up with ThinkWifi who provided free uncapped WiFi, one of the community's priority areas emerging from the data collection.

The feeling is that communities are angry and want electricity and other basic services. The country has witnessed numerous service delivery protests over several years, some violent but all demanding improved and (for some) a minimum of basic services, jobs and better local governance without corruption. Protest is one way that communities feel their voices and concerns are heard. However, the **protests are born out of a history of disadvantage and poverty.** The issues are complex and involve dealing with systems of privilege, expectations, compliance and fear, and require a recognition that comes with relationship work.

GreenCape, a Cape Town based NPO that supports the growth of a green economy, has set up **The Alternative Service Delivery Unit (ASDU)**. The aim of the unit is to support local government and landowners in the provision of energy services to communities in informal settlements [22]. Their work is data driven and community led. The **intention is to develop a participatory approach which leads to community buy-in and control in a process that is ultimately co-developed.** The ASDU has identified strategic steps in the process: identify the right stakeholders, build trust by engaging community leaders, involve the community in creating the picture via enumeration and data collection, and ensure the process is co-designed. Collecting the information through bringing the community on board in the process is essential. The reason is that there are many players and agendas in this space. The kind of information collected includes the use and costs of energy sources. Once the information is collated, the community can engage in decisions about their most urgent priorities thus embedding an "action-oriented participatory approach".

The **iShack project** in Enkanini, Stellenbosch is an example of an informal settlement receiving electricity through solar panels sufficient to power three lights, an outside motion-sensor and a cell phone. Each resident rents the system through a co-payment scheme [61].

The project negotiated with the local municipality to obtain the FBE subsidy and an indigent policy change that allowed for the repurposing of FBE for non-grid households. The project was expanded to Philippi with a different experience as a delegation of community representatives approached the iShack team themselves. In Stellenbosch there had been service delivery protests around electrification.

Initially there was community resistance, and an NGO was contracted for the data collection process. The project team advertised, held open days, ran a series of workshops and met with the ward councillor, all of which helped in the successful project

Community and youth

Even though the City has a 97,7% electrification rate [13], and there has been ongoing work on energy access and affordability, energy poverty still persists in the metro. One interviewee stated that, as long as low-income households cannot afford to consume sufficient electricity to meet their energy needs, they will continue to experience energy poverty. Some informal settlements still do not have any access to electricity, so energy poverty remains a key condition of living in these areas.

Many of the **community representatives interviewed** have been involved in a community partnership programme based on energy issues [56], so they understand the broader system in addition to living in difficult energy circumstances.

All community respondents who have access to electricity said that the biggest problem was affordability. One person said that R100 would buy only 25 units while another received only 18 units. Some believed that their old Eskom meter results in more expensive electricity than if they had a new City meter. One backyarder said that she pays the landlord for electricity and it is very expensive.

All respondents had attended community meetings on energy, some of which were specially set up to talk about energy while others were general community or councillor meetings. Those who had attended many meetings are probably either activists or leaders or engaged in Project 90 workshops. The focus of the meetings varied: FBE, alternative sources of energy, the high price of electricity or needing electricity. Communities **are frustrated**: they lack detailed information and knowledge, and feel that government simply does not care about them or take them seriously. Most felt that, although they were able to voice their concerns, nothing had changed. They indicated that the local authority does not provide adequate information and remain worried about the very high price of electricity.

One respondent said that the government official knew less than the respondent did about energy. Another person said that **government never sends the same official twice**: when asked questions that the official could not answer, they were promised that the official would get back to them, but

this does not happen. Some felt the meetings were useful but with little constructive feedback. One respondent said the meeting was not helpful because they are still waiting for follow up and their situation has not changed.

Responses to the question: "What advice would you give to local government?" were consistent:

- Listen to the people
- Use fieldworkers and not letters to communicate with the people
- Take the needs of the community into your planning processes
- Focus workshops on educating people
- Engage with the community leader in advance

Of the **youth** interviewed very few had attended a meeting unless they were general community meetings. All said they would like to be included in energy related meetings. They suggested that social media would be a good mechanism to engage and inform them. All respondents with access to electricity, even if they received FBE, were using other more affordable sources of energy. In most cases this was paraffin. Some indicated candles and gas. They all wanted access to grid electricity. Some described problems relating to illegal electricity connections and how dangerous this is for the community. This was particularly highlighted by one meeting some respondents had attended. However, they said they need electricity suggesting that they have no choice. All said that the cost of electricity is too high and the FBE subsidy too low. For many the issues were not simply about energy but highlighted housing and sewage needs amongst others. Some suggested that having a community leader acting as a liaison person between them and government would be good. They want to be engaged and involved in decision-making processes regarding their lives. One respondent said that government needs to make people a priority. Others pointed to the need for information and education on energy sources and costs to enable them to make informed decisions. They want government to be more honest and transparent in their dealings with them and provide feedback follow-up. One respondent called councillors and politicians "liars" and said they had "lost faith in government". In general, the youth said they want to be part of the solution by being consulted face to face.

2.4 Themes and patterns

The task of tackling energy poverty from a justice perspective is a mammoth one. This report aimed to provide some initial thoughts on this topic based on a series of interviews and research. The themes that have emerged are discussed below

and are by no means complete or exhaustive, but provide some enquiries around the complexities of bringing the community on board in dealing with energy poverty.

Intention is not enough

As has been demonstrated there are systems for public participation in place within all spheres of government. The **intention and legislation are good but in practice are inadequately implemented.**

Some literature points to the difference between government-driven public participation and that which has been initiated by communities and citizens themselves. A 2012 Good Governance Network paper maintains that there is a lack of capacity and political leadership ensures the failure of public participation [62]. Leadership at both government and community levels is problematic, weak and lacking a unified approach.

“The practice in many municipalities is seemingly one of ‘going through the motions’ and ensuring compliance with the legislative requirements which, ironically, were designed to facilitate substantive public participation in terms of both process and outcomes” [62].

A further problem as many CSOs have stated is that **public participation is presented as a single activity**, thus a call for comment or the setup of formal meetings or fora. True public participation is a negotiated, people-centred process over time. This entails developing relationships, working with conflict and building trust. To work within a framework of a transition where justice is at the heart implies agency and choice. It also implies a paradigm shift to energy democracy. Given the scale of informality and energy poverty these processes need to be well resourced and substantive.

The Deputy Minister of Cooperative Governance and Traditional Affairs (COGTA) spoke in July 2020 about the implementation of the DDM and the Integrated Urban Development Framework to assist in rethinking the municipal model and ensuring that “all planning instruments are in place to reinforce citizen participation and change our current operating model” [63]. Again, a good resolve.

Why is there a **disconnect** between policy intention, the government developmental agenda and on-the-ground implementation? Why is public participation not happening as intended? One potential reason is that from the time of the RDP in 1994, transformation within South Africa has been undertaken at the level of reforms and policies. There has been no fundamental systemic shift in the structure of the economy or state to support the level of change hoped for. Many years of corruption and state capture have resulted in constraints on the development agenda. In many respects the way in which South Africa’s democracy rolled out left no space for comprehensive engagement, in other words, a level of engagement that brings on board all stakeholders including communities and citizens, allowing all equal voice and the potential to influence decisions affecting them. It entails creating safe, trusting spaces and collaborative partnerships to address the issues and foster innovation rather than a simple dialogue space.

A fuller and deeper understanding of this disconnect could be a next phase of research.

Information and understanding

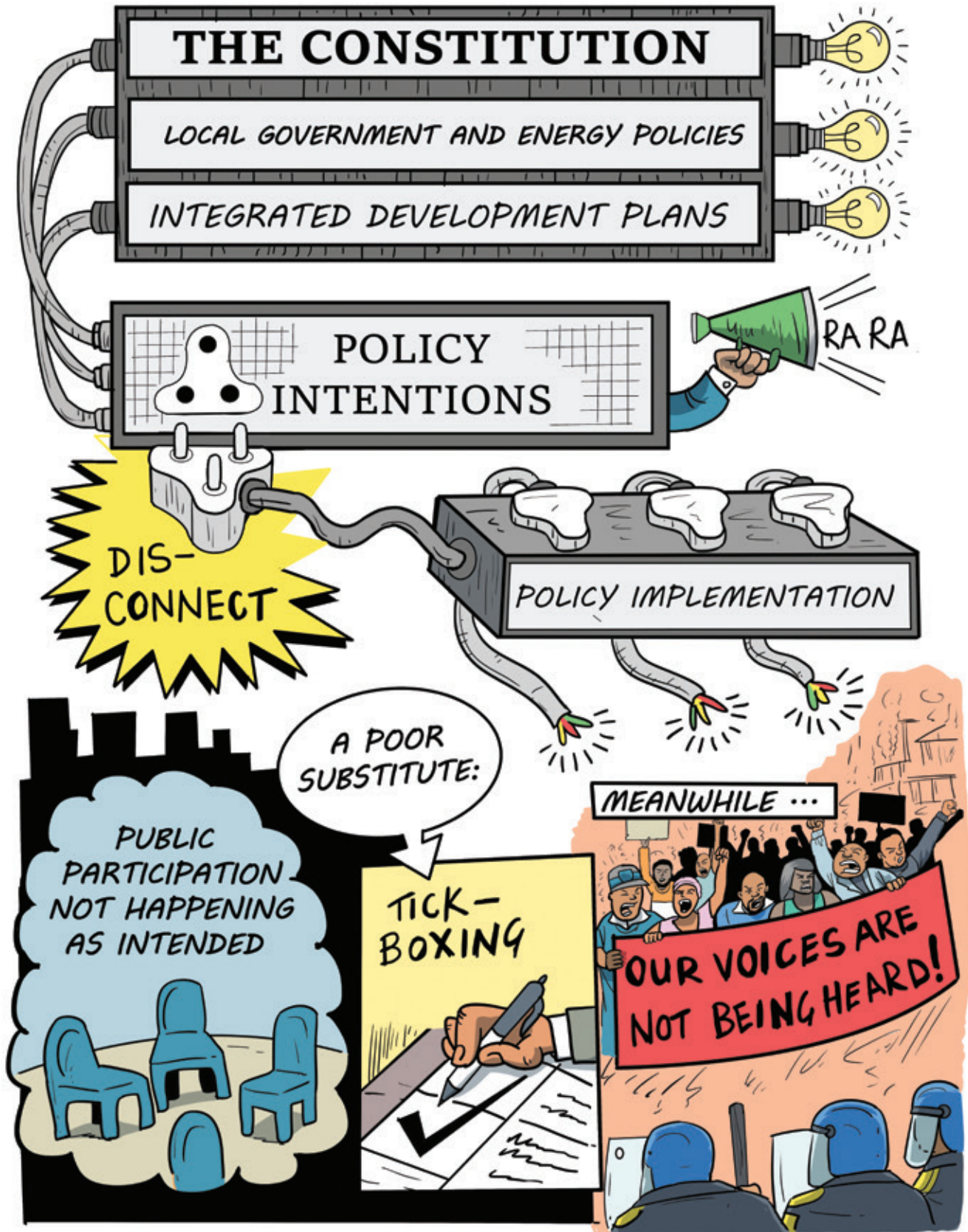
It is essential that communities are informed and understand not only their energy needs but the different sources and associated costs of energy, and which combination is best for their community. Many respondents from both government and civil society reinforced this view. **No one can find a solution to a problem if the problem itself is not understood.** Thus, being invited to comment or give inputs as outlined by the community and youth respondents is not enough. People need to be informed in an objective manner from reliable, unbiased sources. In terms of energy this means understanding the tariffs, units and the kWh.

Unserviced areas could become spaces for innovation by empowering communities to design workable, alternative solutions. The first step is to train people in communication and data collection skills, including unpacking energy language and terms.

Some respondents questioned whether people have a concise grasp of the principles and of engagement or the extent to which their voices might be heard. Simply being called to a meeting is not enough. To build trust, people need to know the agenda, what follow-up might be required and then to receive feedback.

It would assist communities if they understood the financial and human resource constraints under which municipalities operate and why they cannot always deliver on basic services as envisaged and expected. Government officials feel that meeting communities might be giving a **message of expectation** that cannot be implemented. Communicating this concern might alleviate their fear. They also highlighted that there are **no clear and formal systems in place to address household energy needs at the local level.**

THERE MUST BE MEANINGFUL COMMUNITY PARTICIPATION AND ENGAGEMENT!



Importance of trusted community liaison workers

It was recognised by all respondents that neither government officials nor strong ward councillors are the right people to work directly with the communities they serve. The reasons were to do with the 'voice of authority', a community impression that government does not understand their situation or listen to their voices. Government acknowledged

that CSOs can play an important bridging role particularly in the appointment of **community liaison workers**. They need to be people or an organisation that has earned the respect and trust of both government and the community, people who see both sides and their constraints, to be able to suggest appropriate trade-offs.

Service delivery and protests

Service delivery protests and the history of poor communities may affect engagement and public participation. How do municipalities engage in an open way with poor communities who are angry, traumatised and violent? **Managing trauma and hardship requires sensitivity** and an appreciation of the woundedness in communities. There are no shortcuts to this iterative work [64]. How does one balance the right to protest with violent confrontation? While the public has the right to object to existing policy decisions and resource allocation, what space must be given to the municipalities' responses? It is essential that the public expression of

unhappiness is constructive and allows room for government, the community and other stakeholders to manoeuvre. Community engagement should focus on new ideas and constructive transformation. What is needed is to analyse and understand what is not working, where the gaps are and how to remedy the situation. This demands institutional reform [65]. A 2010 IDASA report states that because communities do not trust local government, "public participation is a key tenet of democratic governance. Municipalities should engage and consult civil society more frequently in policy formulation and implementation" [66].

Municipal Finances

Municipalities are in a hugely constrained financial situation. The lack of electricity security has affected investment particularly in larger cities and metros. Their revenue base is compromised. They cannot continue to deliver basic services at the level required to address household poverty. They have limited flexibility in relation to electricity rates set by NERSA and Eskom, and they do not have the revenue to increase the FBE or institute a roll out of FBAE. The assumption in the Local Government White Paper 1998 was that municipalities could generate sufficient revenue to fund their operating costs and provide basic services. That is no longer possible due to increased financial pressures on municipalities.

A clear message from the SALGA 2018 summit [67] is for a **review of the current municipal business models** and transformation of the entire electricity value chain.

A Public Affairs Research Institute report states that "We are in an unsustainable situation that is threatening the entire developmental agenda. Our only option is to go back to the drawing board – to the basic design of local government" [46]. This would include an overhaul of the financial model which would affect the country's finance particularly given the economic impacts of COVID-19 on an already struggling economy.

The findings illustrate that achieving a JET in the WC or indeed in the country is not going to be a simple journey. In our consideration of just one aspect - energy poverty - it is evident that the issues are complex. In the next section we sketch some basic long-term and next-steps recommendations to take the process forward.

2.5 Recommendations

Achieving a JT is a process, one that must be undertaken if we are to achieve a sustainable, equitable and climate resilient future. The WC is as much part of that process as coal regions and other provinces. This process is iterative requiring a consecutive building of each phase. Because it involves people, it must be organic rather than fixed as each building block and each objective may change as the context and situation change. Social transformation involves not only the agents of that process, the communities, but all stakeholders in systemic or institutional change. Adam Habib reflecting on #FeesMustFall puts it succinctly:

[I]t is not only about rhetoric. [There needs] to be structured solutions in place and they must be seen as a process./

Transformation is not an immediate outcome. Rather, it is the result of the slow accumulation of structural reforms. It must be imagined as a continuous process. As one set of reforms is initiated, it comes up against structural and institutional constraints, which inform the development of a new round of reforms./

If there is one truism in the world of social transformation, it has to be that we are the agents of our own liberation. Of course, this agency has to be part of a collective if it is to have systemic effect, but it does require individuals' full and active involvement. [65]

Change is needed within the economic, political, structural and systemic spheres as well as at the local level, as this is where agency is taken up. The potential for small steppingstones of change resides in the local space where opportunities for visible and tangible shifts are found. While the recommendations below focus on localised solutions, systemic considerations are also touched on here. As described above, the concept of public participation resides in almost all government documents but in practice is not happening in the manner envisaged.

The economic and political systems in place do not support this form of democratic governance. The country operates within a capitalist neo-liberal market economy which determines how policies are rolled out. A market economy driven by profit and finance will continue to affect the transition to a low carbon economy. Specific questions that need to be unpacked and answered are: What prevents the country rolling out a massive RE programme. To what extent is the economy and state tied to the Eskom monopoly on energy generation, transmission and distribution?

Systemic and national recommendations

Provincial activities are not independent of the greater national system. Fundamental system issues must be addressed to fully engage in a JT at provincial level:

- A post COVID-19 economic system will need new thinking to shift government from the comfort of repeating the past.
- Economic and political systems need to be adapted to be compatible and supportive of JT.
- National and other spheres of government must consider the developmental agenda of municipalities. This requires a review of our 25 years of democracy, to understand what has worked and where change can be made.
- Government's financial systems, national transfers and municipality income generation all need review.
- Ongoing work to 'fix Eskom', directed at minimising base electricity price increases, must continue
- The country must move to the most inexpensive renewable energy sources.
- Regulations affecting the rollout of RE must ensure that they promote JT.
- A decentralised energy system must ensure that the poor are not left out.
- Further research is needed into understanding these systemic factors and where and how change could take place.

To undertake and embark on systemic changes (and we have only identified the very tip of the iceberg and in an oversimplified manner) demands a paradigm shift – an ability to move into an unknown space and take risks whether from an individual or communal perspective.

These are significant issues that do not sit within the scope of the WC and its municipalities. Some are still at the level of rhetoric, and face considerable constraints and blockages. Therefore, we have chosen to focus rather on suggestions that are actionable and will build towards a JET, all the while acknowledging the bigger pictures changes that are required.



Localised solutions to energy poverty in the Western Cape

Many areas need overhauling, including:

- In terms of making electricity more affordable:
 - Review the FBE grants and funding sources, particularly the errors of inclusion and exclusion, e.g. installing multiple meters for backyard dwellers.
 - Identify where subsidy money can be sourced within the energy services and other sectors.
 - Revisit and radically restructure the municipal financial model. If municipalities are to operate as developmental local governments then the business model used to raise revenue must be people centred and functional, not neo-liberal.
- Unpack the setting of electricity tariffs and the real costs of supply and distribution at municipal level.
- Align regulations and procurement rules to support these changes.

The individual pieces of the electricity pricing puzzle are well known [68], but should not be improved in isolation. A JET strategy at the local level will need to **look carefully at the intersection of all these factors in order to build a holistic and interdependent solution.**

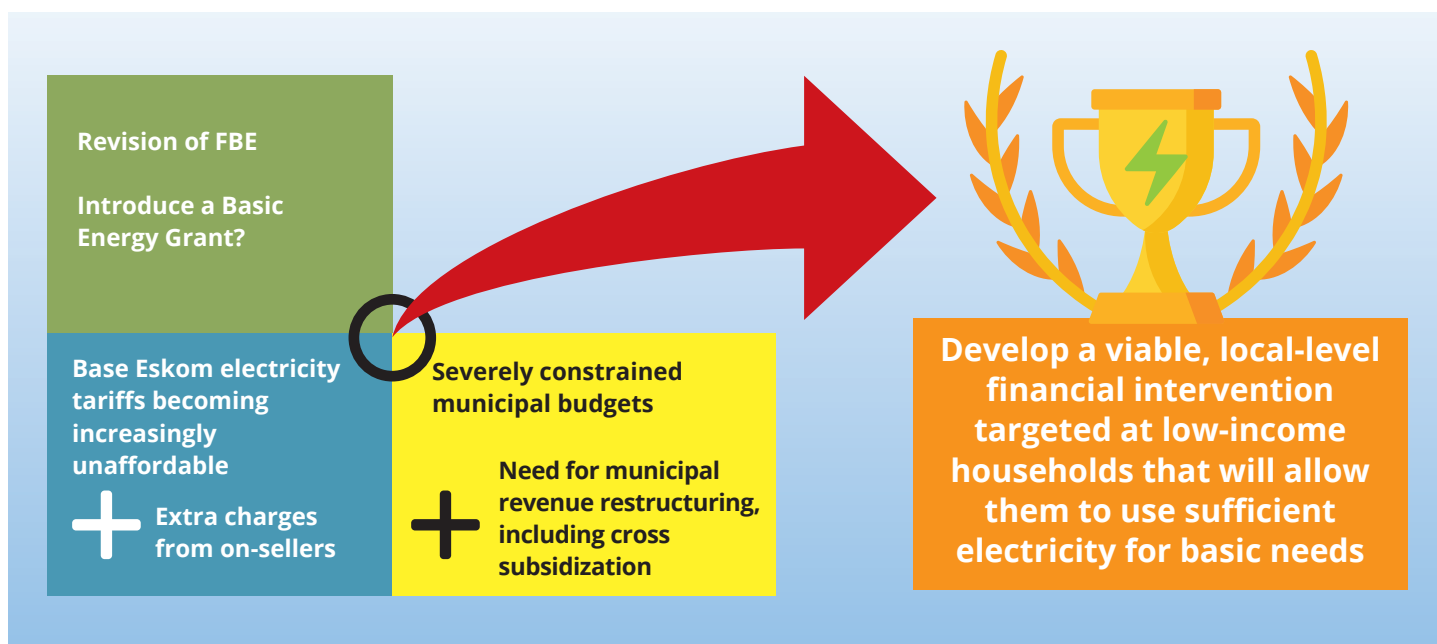


Figure 10: Mechanisms to counter cost as a barrier to electricity use

- Continue to explore alternative options. While electrification rates are high, attaining a goal of 100% access to the grid is unlikely to happen soon.
- Ensure that communities understand which safe options are available in terms of energy sources.
- **Produce clear, accessible data on both consumer costs and subsidies related to electricity.**
- Consumers need to be empowered through education.
- Prioritise **initiatives to increase energy efficiency in low-income households.** Look holistically at the design of RDP houses so that they operate more efficiently to reduce energy consumption. Municipal officials should be trained in efficiency measures.
- Develop **municipal guidelines on how to address energy poverty** in a coordinated approach across departments.

Proposed framework for improved community engagement in the Western Cape

Consumers need to be engaged in identifying solutions and using their own agency. There are two broad methods to engage the public. The first is to hold open invitation events and receive input on documents. The second is a more active

approach, where municipalities and energy service providers set up systems to enable them to work together on solutions with those communities experiencing energy poverty.

PUBLIC PARTICIPATION

A platform for people to have input into work done by government

This part of the system exists as legally required but can be improved

E.g. NERSA hearings on electricity pricing



COMMUNITY DISCUSSIONS AND RELATIONSHIP BUILDING

Ongoing process of active interaction with communities – to share information, listen to concerns and co-create solutions

This part of the system is not yet happening at the required scale
Some good work is being done, but in isolated pockets

E.g. ASDU, NGO programmes

GOVERNMENT AND MUNICIPAL OFFICIALS, RESEARCHERS

Provide reliable information on the status quo of **energy provision**, and government challenges, constraints and plans



Make this information publicly available in a format that is accessible and easily understood by communities



OPEN INVITATION, PUBLIC PARTICIPATION EVENTS

- Easily accessible venues
- Conducted in appropriate language with or without translation



WRITTEN SUBMISSIONS

- Show how public comments are evaluated and included/excluded from final document



MUNICIPAL REPRESENTATIVES, RESEARCHERS, WORKING GROUPS

Identify vulnerable, under-resourced communities experiencing energy poverty



ENUMERATORS, COMMUNITY REPRESENTATIVES

- Source reliable information on the status quo of **energy use**, and community challenges, constraints and experiences



SUITABLE INTERMEDIARIES:
(SKILLED AND TRUSTED COMMUNITY LIAISON OFFICERS; PROVIDE TRAINING IF REQUIRED)

ONGOING 'EXCHANGE EVENTS' WITHIN THE AFFECTED COMMUNITY, IN THE APPROPRIATE LANGUAGE



- Communities and municipalities to communicate their own specific contexts and to understand each other's points of view
- Build trust and ensure continuity of those involved
- Address deep-rooted and trauma historical difficulties
- Easily accessible venues



Co- create solutions to energy poverty and the challenges around access and affordability of electricity



Figure 11: Improving community engagement on energy poverty

Steps toward making this improved framework happen

Providing a vision of an improved way of doing something is quite different from how go about achieving it. Below are some small, actionable steps that we hope will help to build a

better system of community engagement on energy poverty at the provincial and city level.

A WC working group for energy solutions

Establish a working group on energy solutions for the communities in the WC which could reside in either the human settlements or climate change directorates. It should include stakeholders from the municipalities, civil society, communities, business and industry. The aim of the working group would be to:

- Identify how to improve education, communication and knowledge about energy for all stakeholders.
- Develop mechanisms for working holistically rather than in silos; identify what is cross cutting and how to share problems and solutions across government and across communities.
- Establish mechanisms for building relationships and trust between all the stakeholders.
- Develop a mechanism to link with national work on energy relating to municipal mandates, finances, regulations, etc.
- Engage with and implement the DDM.
- Raise funds to assist in carrying out the next steps.

- Develop a common understanding of the challenges related to energy and energy poverty.
- Develop a common vision for improving engagement on energy related issues for the province that takes justice as its starting point.
- Build on what is already in place and work being undertaken by civil society and community-based organisations.

Communication and education

Communication was identified as a critical need. The working group could identify and contract a champion to drive the improvement of information and education generally.

CoCT is developing a communications strategy – once developed the relevant parts could be adapted and employed by districts and other municipalities in the province.

A package could include the following information for municipal officials, politicians, residents and communities:

- Simplify the technical aspects: cost of supply, tariff setting, FBE and Eskom’s role.
- Describe the difference between municipal and Eskom supply of electricity and what it means for residents.
- Explain the risks of illegal connections and meter-tampering, and the potential costs if caught.
- Evaluate the alternatives to electricity and ways to be energy efficient.
- Suggest how to manage and plan for load shedding.
- Explain how to engage with the municipality and what the municipality is doing to improve engagement.

Mobile demonstration unit

The unit could showcase aspects of the communications strategy. The educational programme could deal with electricity tariffs, efficiency measures and technologies, FBE and safety advice for different sources of energy. It could show how to protect people against fire risks or paraffin ingestion. The unit could be an adapted container or trailer which could travel to rural areas or a central point in or near townships and informal settlements.

It could demonstrate how to use hot boxes and solar systems and help understand unfamiliar technologies and how they operate.

- Appoint a team to set this up.
- Fundraise for the unit and materials.
- Appoint a champion.

Community liaison initiative

The working group would identify an umbrella organisation to lead the community liaison initiative and to source funds for the programme.

- Set up a register of community liaison workers.
- Develop training material on building trust, understanding

local circumstances, working with poor communities and government.

- Provide training for local municipalities, provincial officials and CSOs to build good relationships between them and the community liaison workers.

IMPROVE COMMUNICATION

AND ENERGY EDUCATION

WITH A

MOBILE DEMONSTRATION UNIT



Pilot project

The working group should choose one community in one municipality for a pilot project on community discussions and relationship building as suggested by Figure 11. In establishing the pilot, the working group should scope what civil society, activist organisations and universities have already achieved in this area. This would ensure building something new and learning from previous projects.

- Undertake engagements on energy poverty:
 - Survey the energy uses and needs within the community.
 - Appoint community liaison workers.
 - Run discussion events so that municipal officials and

politicians understand the community issues and the community understand the limits of what the municipality can provide.

- Identify relevant knowledge gaps.
- Create relationships between the municipality and the community, building trust over time.
- Work with the issues that are current and pressing, listen to the community needs and aid even if not in direct line with energy issues.
- Evaluate and write up the lessons, specifying what worked, what did not work, and what could be done differently if rolled out to scale.

Conclusion

Through Project 90's community work, we have often heard community representatives say that they do not want government to simply "run something by them". This frustration is borne out by the tick-box type of consultation where most of the work has been completed before those affected are even approached. Another refrain from communities is "Nothing about us, without us" - a plea for meaningful engagement from the start. This is not easy, and it takes time, but this is what is required to provide real justice as energy systems are changed.

The above steps towards an improved framework of community engagement are quite simple, and there is

nothing revolutionary about them. However, it is so important to get the basics right, and invest in tasks that are practical and achievable. These suggested steps do not require making significant headway on some of the complex, systemic issues identified, but should be easily manageable even under the economic constraints of our post-COVID-19 recovery. On one hand, a JET is about technical changes in energy production, moving towards a lower carbon and more climate friendly system. On the other hand, a JET is about people - to involve people we must communicate, build relationships, cultivate trust, have good information and work together on solutions.



Appendix 1

Brief background to a Just Transition in South Africa

The concept of a just transition

Just transition (JT) has become a buzzword in South Africa in the last few years, although it was already central to a policy adopted by COSATU in 2011 [69]. The term now appears in many policy documents, politician speeches and newspaper headlines.

Across all stakeholders there have been many debates and research reports delving into various interpretations, details and scope of this complex subject²⁷. A JT requires an ideological shift that acknowledges the interdependence and value of all individuals in building a stable society based on equitable access and efficient use of resources for the wellbeing of current and future generations.

Rather than being confined to a strict definition, the concept of a JT can be viewed as a continuum: the more developmental

challenges and socio-economic issues are included, the more transformative it can become [1]. Starting with what can be agreed on and done immediately, the process can be built on and expanded, so it becomes more transformative over time.

It essentially means putting justice at the forefront, so that those people most affected by the current economic system and impacts of climate change are not again disadvantaged by a transition. International JT literature identifies social dialogue, where the poor and vulnerable are involved in decision-making as an imperative, to ensure that they have agency in our collective low-carbon future. There needs to be a change in orientation from decision-making as top down to a more inclusive process. This is at the heart of what we investigate in this report.

Just transition nationally

Building on the 2012 National Development Plan (NDP), and in particular Chapter 5 (low carbon), the National Planning Commission (NPC) worked towards a social compact for an economy-wide JT involving government, labour, civil society, business and the communities. The NPC recognised that the energy transition had already started, and identified water and land use as additional key sectors [70]. Following country-wide workshops in 2018–2019, a draft long-term vision of the end state and requisite JT planning pathways was published [70] and presented at a Concluding Conference where some key overarching decisions were reached. The next step was to reach consensus at a Summit and then take a final document to the National Economic and Development Labour Council (NEDLAC). This did not happen for various reasons including the COVID-19 lockdown.

Since then this NPC work has been in limbo. At the Jobs Summit in October 2018 it was agreed to establish a statutory body in the Presidency in the form of a Presidential Climate Change Coordinating Commission (P4C). More recently it was decided that the P4C would take over from the NPC to coordinate and oversee the JT, ensuring job opportunities are created [71]. However, it took almost two years to develop the draft terms of reference for the P4C²⁸, and as of October 2020 there was still a void for national JT custodianship.

One of the necessary changes is the decentralisation of decision-making which is contrary to the current trend of centralised decision-making. Locating the JET under a Climate Change mandate finally and formally acknowledges humanity's dependence on a healthy ecosystem. However, this fails to acknowledge equally immediate factors such as the depletion within decades of economically extractable fossil fuels and the consequences of the loss of high-density energy for the current and equally destructive economic model of material growth. A transition to renewables-based energy is a transition to a very different energy relationship with a strong focus on efficiency and an economic focus on wellbeing not wealth. This requires cooperative management with informed and involved citizens. Unfortunately, many of the systems that urgently need to change for the benefit of society and the planet, are held in stasis by vested interests and political forces that profit from the status quo. So, despite near universal acceptance that in principle a JT is necessary, and despite the NPC work and the JT appearing in many recent government documents, the concept does not seem to have passed from ideas into action.

JT remains a highly contested topic with varying interpretations as to what exactly it encompasses and how to achieve any stated goals. There are still no finalised, dedicated JT plans²⁹ for South Africa and there is no-one officially at the helm.

27. For example, the recent 'Just Transition Concepts and Relevance for Climate Action' report [76].

28. Unpublished as of September 2020 - personal communication from the Department of Environment, Forestry and Fisheries (DEFF).

29. Important preliminary work is being done, but seemingly there are not yet any accepted national plans with broad stakeholder buy-in that are ready to be implemented.

On the positive side, there has been much good research work undertaken by civil society, think tanks, academics and labour to lay the foundation for informed decision-making. The National Employment Vulnerability Assessment (NEVA) and the Sector Jobs Resilience Plans (SJRPs) have been released, and are

intended to be key policy instruments to manage a transition to a low carbon economy [72]. In July 2020, the National Business Initiative (NBI) launched their Just Transitions Pathways Project [73], which is an encouraging step, as business will be a key partner in JT efforts.

Why focus on energy?

In most countries, including South Africa, the energy sector has been at the forefront of JT work. A chief reason is the huge contribution of fossil fuel sources of energy to greenhouse gas emissions that exacerbate climate change³⁰. The burning of fossil fuels also contributes to air pollution, water contamination and detrimental effects on human health. When JT is viewed in the context of energy then the term just energy transition (JET) is used.

In South Africa, the need for JET is exacerbated by the nature of our electricity system where over 85% of electricity comes from coal [74]. Eskom, the monopoly utility, is in major

financial and operational crisis, but it has recently opened a JET office [75] acknowledging the need to address the negative impacts of mining and decommissioning of power stations on communities. Acknowledging the need for change is the first step to a solution.

We fully understand that energy is linked to other sectors including transport, agriculture, water and land use. A JET is part of a wider JT, and while the focus of this report is only on one sector in one province, we recognise that it is linked to other parts of a much larger system.

Just transition locally

Lessons from across the globe also agree that JT is location specific and must be tailored to local circumstances, with local people being best placed to steer the process [1]. Therefore, provinces and cities must develop their own JT action plans. The delays in the national arena also provide additional

reason to engage with provincial and municipal structures to gain momentum with a JT. While these programmes should align with and complement national efforts, they are necessary in their own right, and indeed could pave the way for increased ambition at national level.

30. The energy sector was responsible for 79% of gross South African emissions from 2000 to 2015 [79].

Appendix 2

Interview process

Interview conditions

All discussions were held with strict anonymity in terms of data use, and any quotes used herein are not associated with the respondent or their department. Information from interviewees is not referenced unless there is a publicly available source. The questions were raised in an open-ended manner, so this

report summarises in a qualitative way the main themes and trends, rather than assigning quantitative measurements to the responses. All interviews were conducted online or via telephone due to COVID-19 lockdown regulations.

Part 1 interviewees

The aim of the scoping phase of this research was to summarise some JET action priorities for the WC from the viewpoint of those currently in positions with the authority to make them happen. To this end, interviews were conducted with senior officials in WC Government and CoCT. A list of appropriate people was drawn up and expanded as the project progressed. Those who participated were in relevant departments such

as energy, climate change, sustainable development, green economy, strategic planning and investment - often at director level. Following referrals and selection, 15 interviews were granted out of the 35 requested. Additional opinions were also sought from representatives of trade unions, political parties and GreenCape - who assist the Province and City on energy issues.

Part 2 interviewees

The aim of the focus phase of this research was to better understand how to tackle energy poverty and how to include affected communities in developing solutions. Fifty-five interviews were conducted with a wide range of stakeholders including: those trying to address the problem on the side of government, NGOs and social enterprises working in this field, and representatives of communities (including youth members) where energy and electricity challenges are part of daily life.

Included were government officials from WC, George, Garden Route and Stellenbosch dealing with energy, climate change,

electrification programmes, electricity pricing, illegal connections, human settlement planning, finance, and informal settlement support. NGOs and social enterprises included the Community Organisation Resource Centre (CORC), the Federation of the Urban and Rural Poor (FEDUP), GroundWork, GreenCape and iShack. Advisors, consultants, Eskom representatives and ward councillors also contributed. Community leaders and members representing 11 organisations came from Mitchell's Plain, Hanover Park, Bishop Lavis, Gugulethu, Nyanga, Westbank, Siqalo informal settlement and Khayelitsha. Youth community voices (under 35 years old) came from Khayelitsha, Makhaza and Monwabisi Park.

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