



What are strategic priorities for just energy transition in the Western Cape?



PROJECT 90
BY 2030

Inspire.
Mobilise.
A low-carbon generation.



OUR VISION

We want to inspire and mobilise society towards a sustainably developed and equitable low-carbon future.

OUR MISSION

We are a changed focused organisation with the aim to inspire and bring about significant, positive change in the way we, as humans, engage with earth systems and each other.

Support the involvement of South Africans in a just energy transition.



Framing

Current COVID context and ideas for economic recovery:
Green stimulus, a local version of a Green New Deal, 'Just Recovery' etc

What can we do at a local level in the short term to put us on a good just transition path for the longer term?

- Avoid short-term fixes that lock us into 'business as usual'.

First Phase

Identify suitable people to talk with:
Western Cape Government and City of Cape Town

Interviews – anonymous use of data

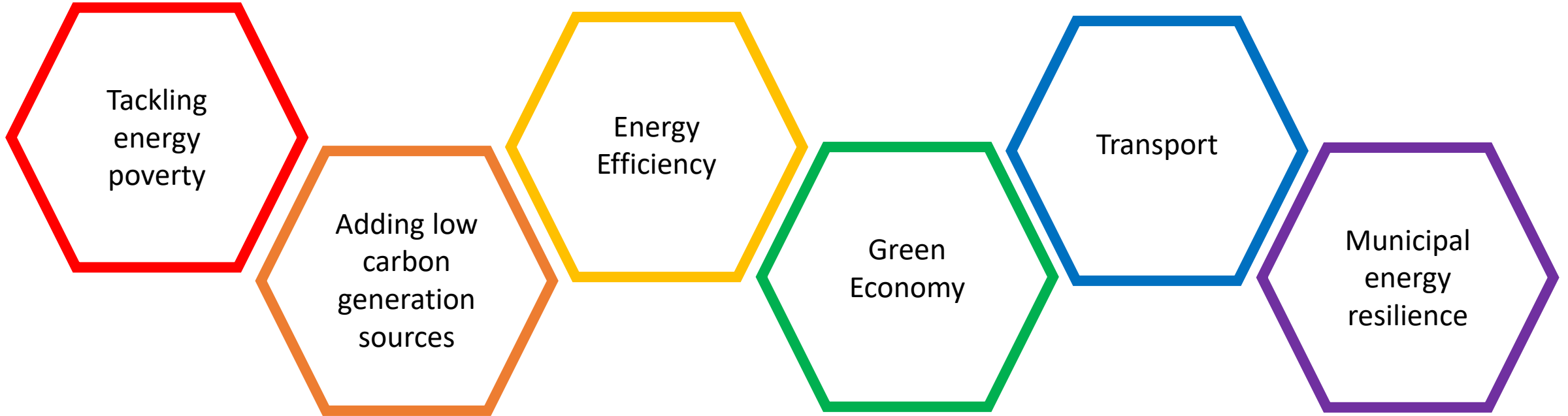
Identify trends, themes and possible priorities that combine key concerns

Q1

Context:

Much of the just transition debate to date has been at the national level. For the energy sector, a focus on coal, mainly in Mpumalanga.

What does a just transition in the energy space mean for the Western Cape?

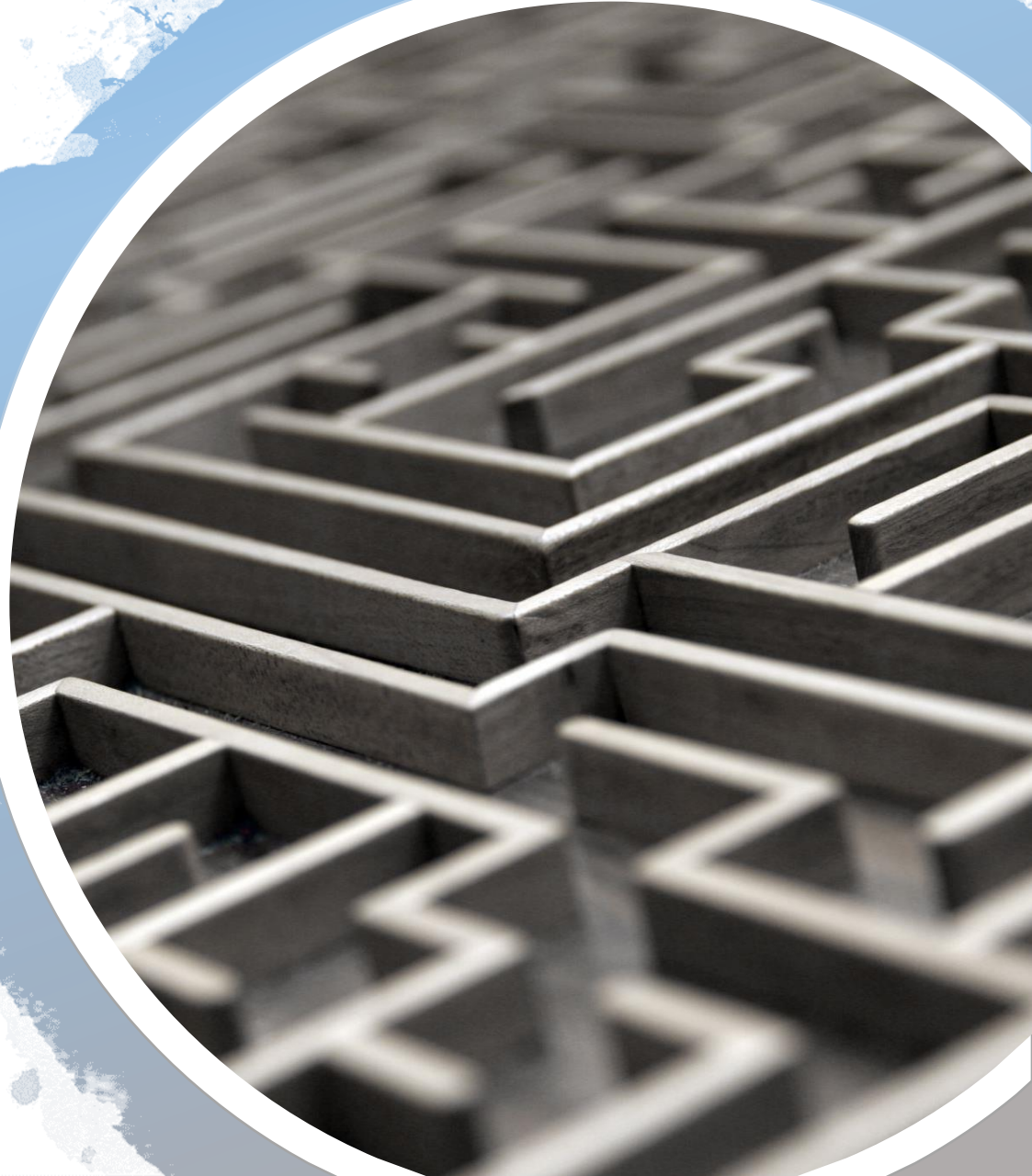


Q2

Is there a strategic next step to get action on just energy transition at a local level?

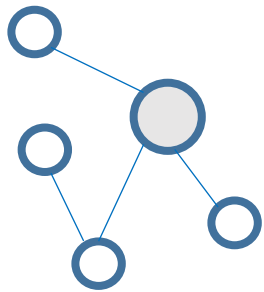
- What are the knowledge and capacity gaps?

**Policy and
regulatory
certainty!**



Tackling energy poverty

- “Solving the energy crisis”
- Despite 80-90% electrification rates, inability to effectively use available services
 - Much comes down to cost
 - Majority electricity from Eskom (for foreseeable future)
 - Base electricity pricing governed nationally (above inflation increases)



❖ Free basic electricity allocation

Additional allocation for alternative sources

e.g. contribution to operational costs on mini grid

❖ Changes to municipal revenue system and cross subsidisation talking about for years but still seems to need attention

Linked to electricity theft and illegal connection

What is a viable financial intervention that can increase end use of electricity in low income households?

Additional low carbon energy sources

- Utility scale
 - CoCT court case – but it is a long way off (>3 years)
- Distributed facilities 1-10 MW
 - Could be an emerging key focus area.
- Small Scale Embedded generation (<1MW)
 - Within control of municipality, expanding rapidly
 - Commercial building, schools etc
 - **Feed-in tariffs *and* wheeling – need to become attractive, target entrepreneurs empower consumers**
 - Smarter grid

Extra electricity in an
“Eskom compatible way”

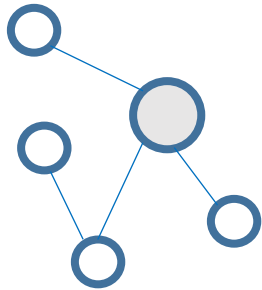
Licensing improvements

Pricing incentives

S
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- Low income households
 - Which solutions are best? When is off grid suitable?
 - Place for SWH vs rooftop PV?

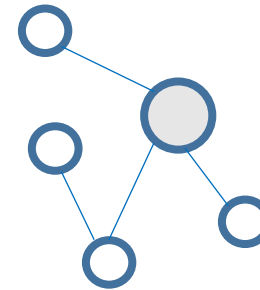
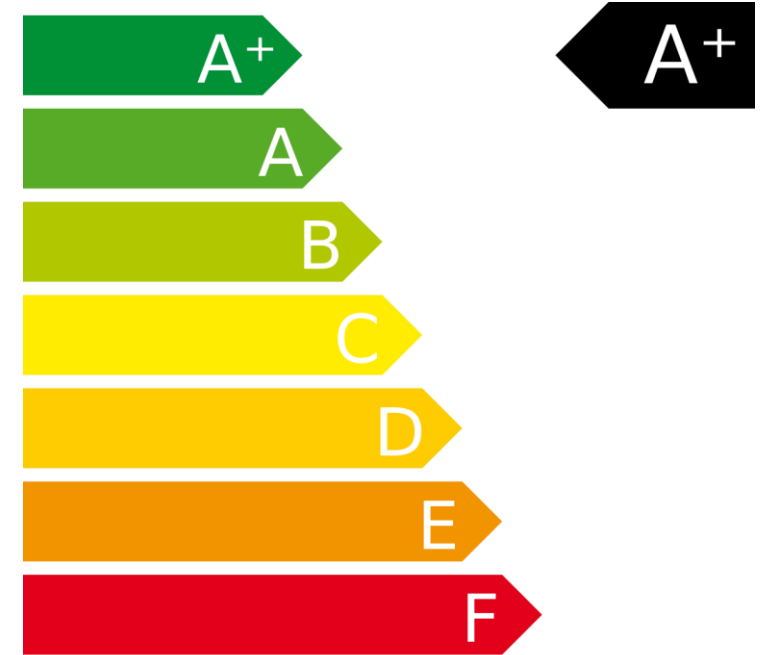
**Technology selection
Funding**



❖ How to increase RE production at small scale that has political support and sufficient incentives?

Energy Efficiency

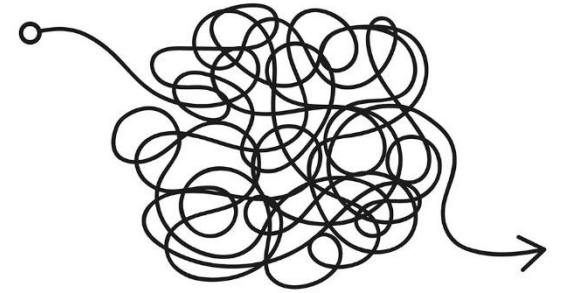
- “It is the one thing that we do not find opposition too”
 - Politically acceptable
 - Has widespread support
 - target many levels
 - can be done quickly
 - reduces bills
 - reduces demand in loadshedding context
 - can pay for itself
 - Jobs in retrofitting, production etc



❖ How to stimulate growth in this sector?

Green Economy

- Extend to circular economy, holistic view
- **Identify opportunities in value chains**
 - Manufacturing (e.g RE value chain, components etc)
 - Atlantis SEZ- other green tech zones
 - 'New' industries
 - Battery storage (reduce reliance on imports)
 - Silicon production



Policy and
regulatory
certainty!

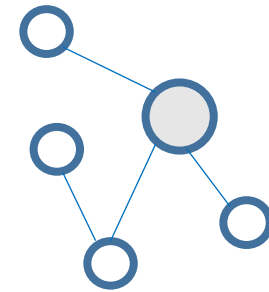
- **Job creation**

- What level?
Particularly labor intensive and artisans
- Skills development
Balance with demand

- **Micro-economies**

Low proportion GDP,
but put bread on table for many people

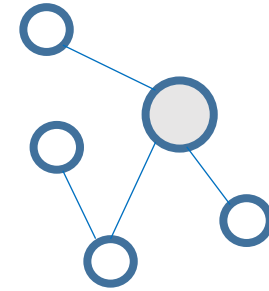
Overlooked and COVID has helped reveal
importance



❖ How to support micro economies, informal sector and entrepreneurs in green economy?

Transport

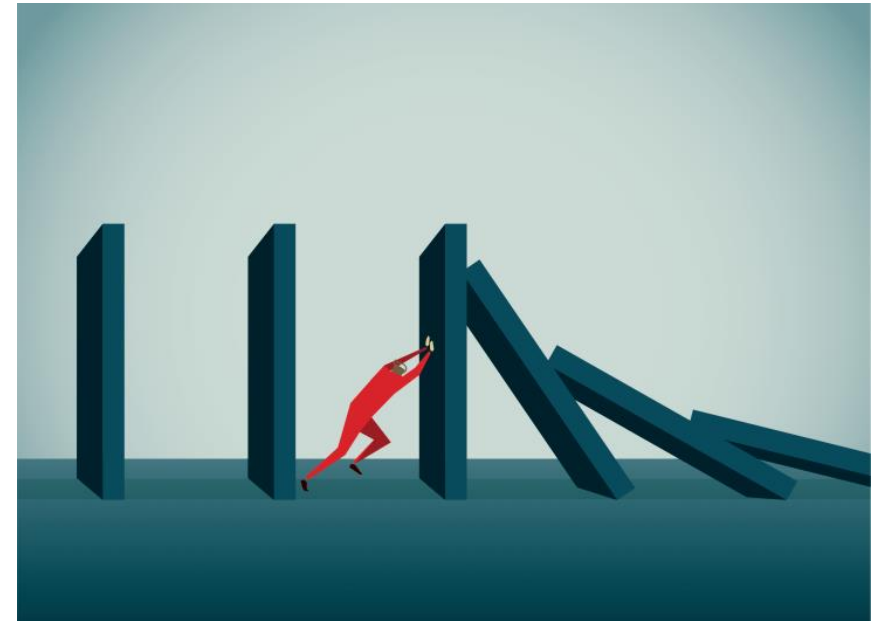
- Preparing for increased electric vehicles
 - Importing liquid fuel is a drain on the economy
- What to do about rail?
 - Pilot for ultralight rail
- Post-COVID changes in traffic flow?



- ❖ Need for integrated energy planning and role of electrification in transport

Municipal Energy Resilience

- “Preparing for an alternative, parallel path, given the long history of national delays in power sector reform”
- Recognizes the importance of municipalities in energy system and in managing aspects of transition
- Importance of localization and area-specific governance

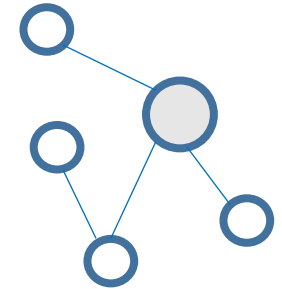


Q3

Potential building blocks for just transition planning



Under current circumstances, do any of these resonate as a short-term strategic priority for the Western Cape?



❖ Add:

ACCESS TO INFORMATION

Transparency, clear data and digital connectivity

“No brainer for me” “You actually only left me with one block”
Prioritizes addressing energy poverty

What combination of tech (scale, source and grid) and pricing reform?

1



Net job creation: particularly artisans, labor and semi-skilled
Big push for skills development

2



Energy usage, becoming energy producers
Risk strategies and labour practices
Pollution compliance



Restoration less in energy but definite need in areas such as water
Health – e.g air quality: Milnerton refinery, Acacia power station

3



Did not disagree with this in principle, but it seems immediate
priority is to look at solving problems of access, costs, jobs etc

Q4

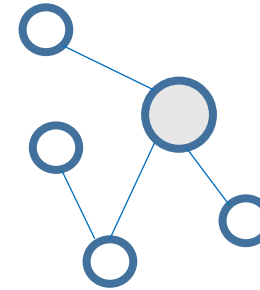
Who should manage just transition planning within the Western Cape?

- Dept Economic Development and Tourism
 - Energy directive
- Dept of Environmental Affairs and Development Planning
 - Climate change directive
- Strategic planning division
- SALGA to play bigger role
- City for city level
 - Forum of relevant stakeholders
- Municipalities, but need co-ordination of various municipalities.

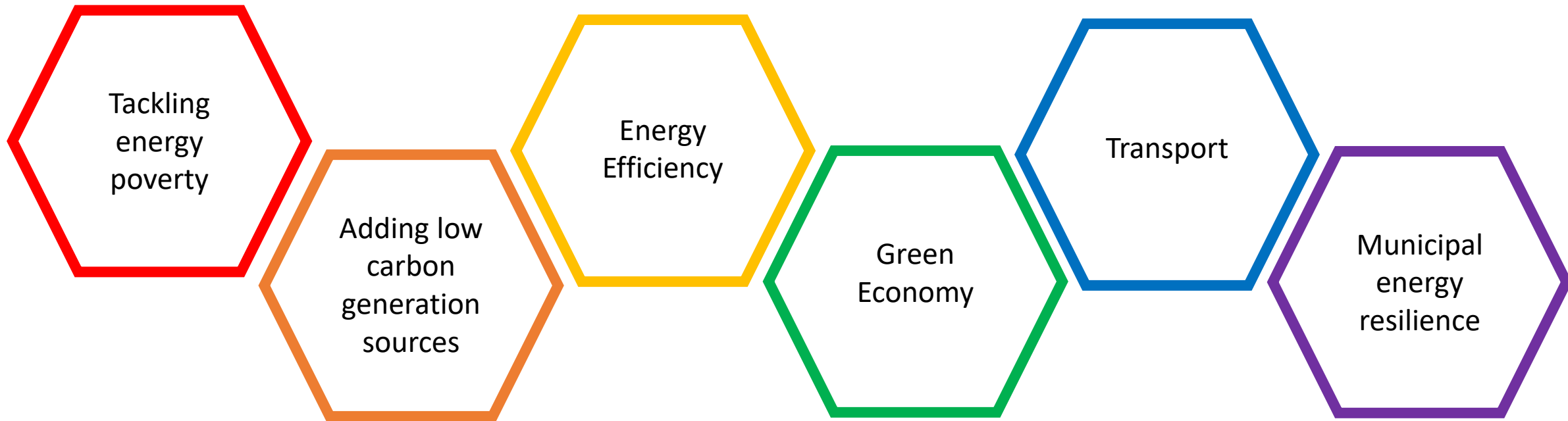
- Can not only be public sector run - inclusive of communities and private sector
- “Not top down - too much of that already. Joint vehicle. Otherwise continue to see fragmentation”
 - Some interviewees could not see it as being nationally run at all - too many vested interests.
- “Transversal management system”.
- Political level: portfolio committee.
 - Joint committees between province and city.



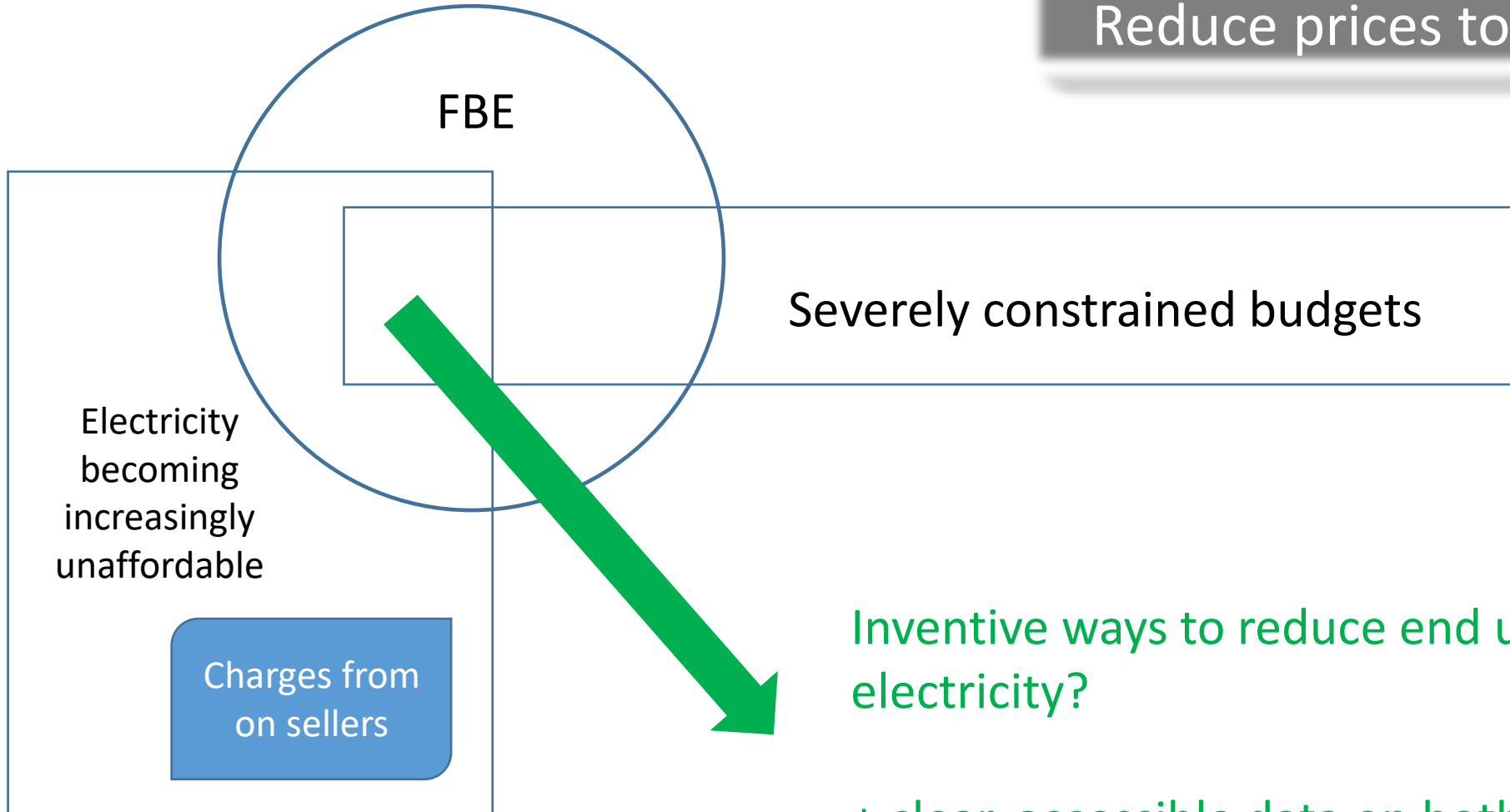
Short answer – no consensus.



- ❖ Could be a gap for future work – to run the necessary stakeholder engagement and then design a management system for JT at the provincial level.



Reduce prices to increase use



Electricity becoming increasingly unaffordable

Charges from on sellers

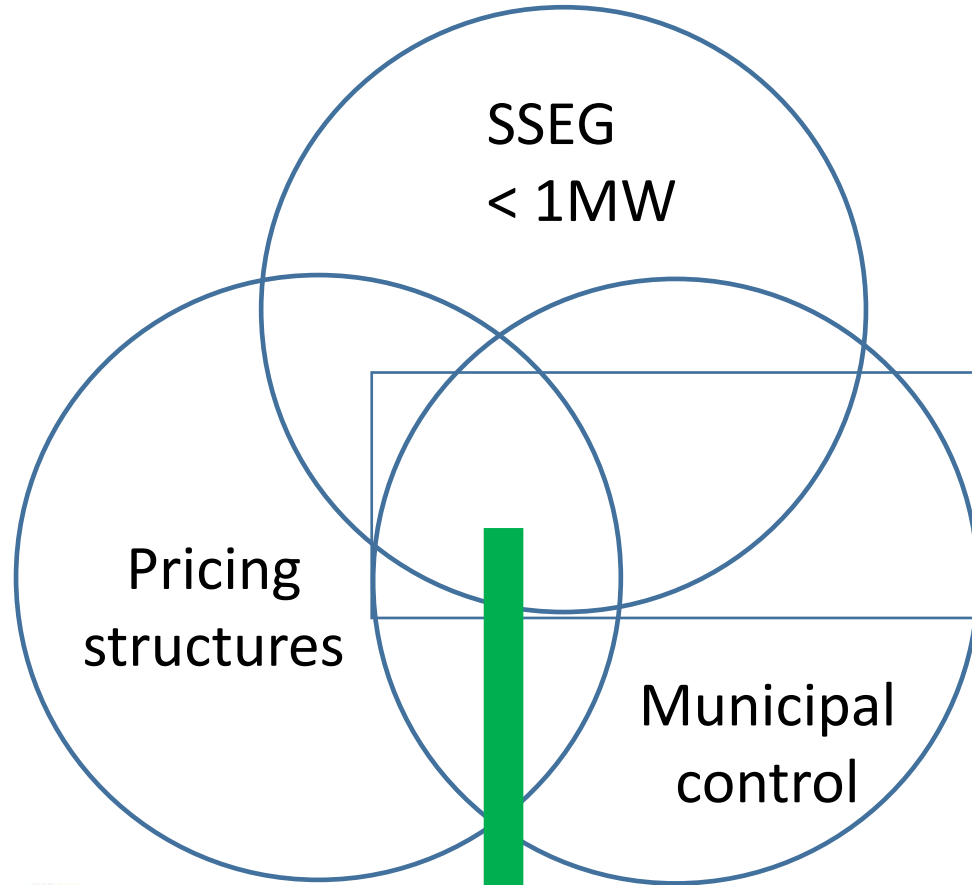
FBE

Severely constrained budgets

Inventive ways to reduce end user cost of electricity?

+ clear, accessible data on both consumer costs and subsidies

Incentivize SSEG without negative knock on effects

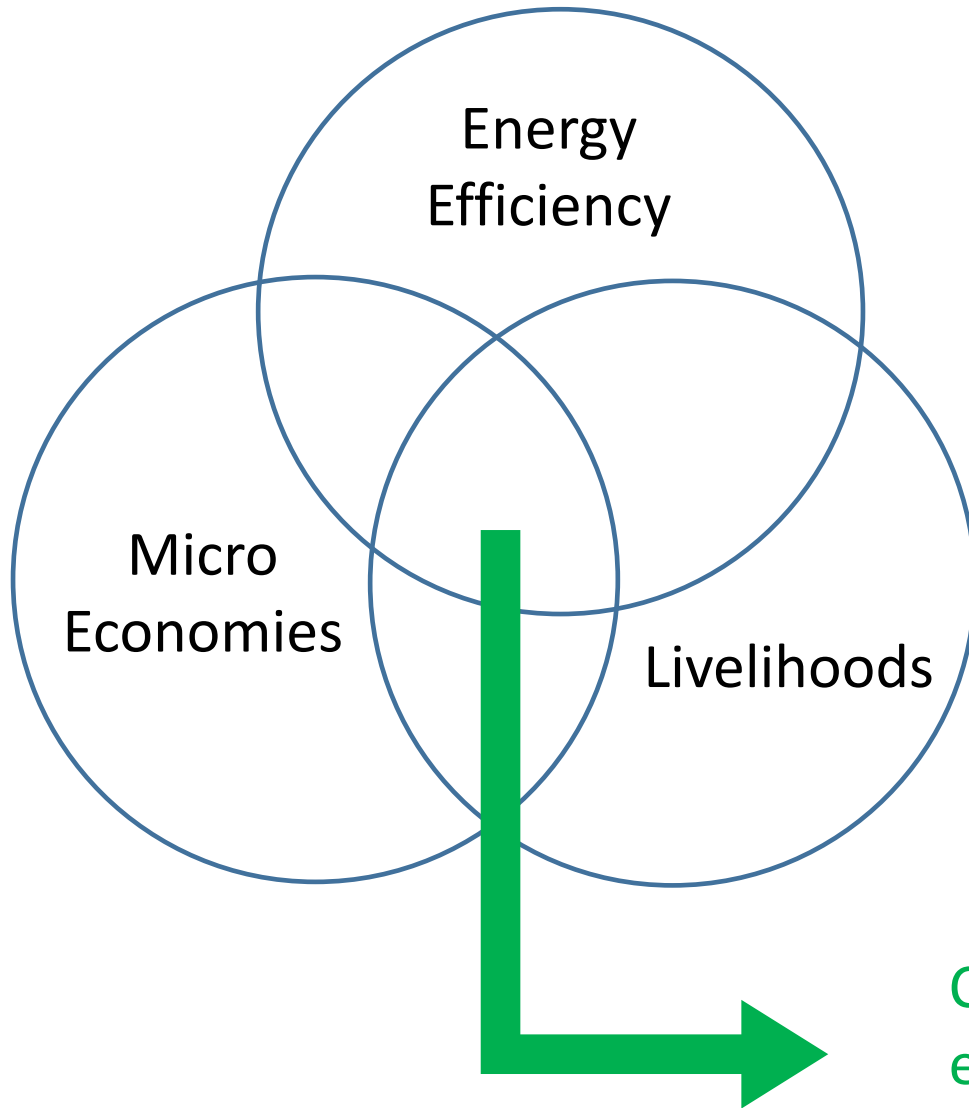


Reduced Eskom sales > price hikes
Shield consumers from tariff effects

How can municipalities structure pricing incentives to encourage SSEG, but also counter reduced Eskom revenue and need to make electricity more affordable for all?

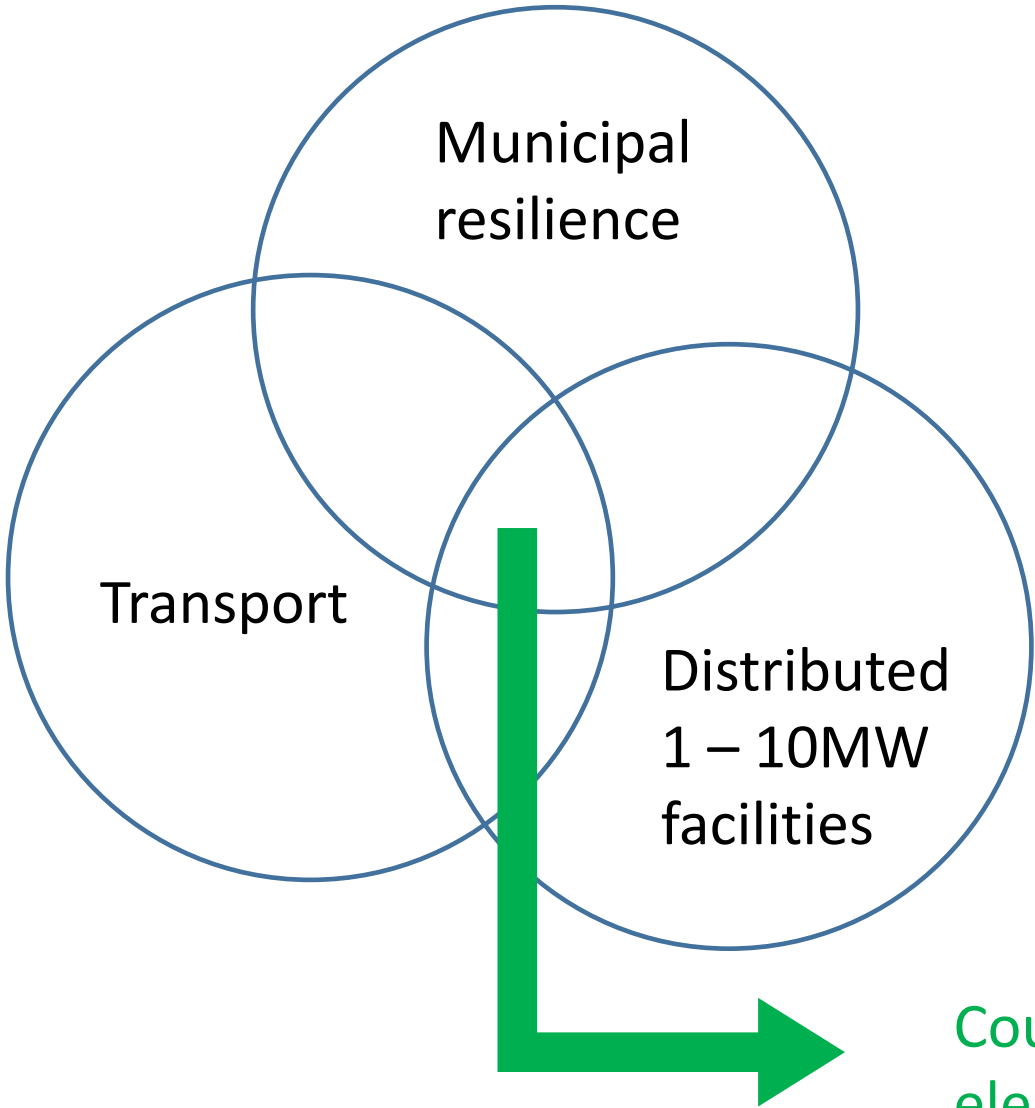


Livelihoods: level and location



Can distributed livelihoods be created in energy efficiency that target micro-economies?

Municipal EV system – maybe longer term?



Could there be a combination municipal level electricity generation and transport services?

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