



National Climate Change Response Dialogue
10-13 November 2014
Gallagher Convention Centre
Midrand, Gauteng

When we talk about social ownership of energy systems we are ...

- referring to energy being a public or common good that is publicly financed and comprehensively planned. We want to roll back the anarchy of liberalised energy markets.
- we are expressing our determination to resist commodification of electrical power and our desire that energy systems should not be for profit but have as their mandate service provision and meeting of universal needs.
- we are speaking of a system where workers, communities and consumers have control and a real voice in how energy is produced and used. We are calling for constituency-based governing councils **IN PLACE** of boards of directors in all energy entities. Existing state or publicly-owned energy entities that act as private companies and on the basis of a profit motive need to be “socialised”.
- we are referring to energy systems that respect our environmental rights, our rights for survival and those of future generations. Socially-owned energy systems must prioritise renewable energy as part of respecting our environmental rights.

What extending calls for public and democratic control of energy to RE means

- Unions acting as catalysts in the establishment RE cooperatives and other forms of community energy enterprises
- Building RE parastatals and municipal-owned RE entities that are under democratic control with a strong social mandate
- Bringing sites with the greatest abundance of useable RE sources such as land under public, community or collective ownership
- Strategic and targeted local content requirement regime aimed at building a RE manufacturing sector that guarantees jobs and workers rights
- A search for forms of cooperation and solidarity around energy that will reduce competition and avoid workers of different countries being pitted against each other.

REIPPPP

The basis of bidding will be a **price** that IPPs will sell electricity at and on the basis of identified **socio-economic development** objectives. The price at which IPPs will sell the electricity to Eskom makes up 70 points in an evaluation scorecard of 100 points that is used to determine winners. Socio-economic developments objectives such as job creation, local content, black ownership and preferential procurement constitute the remaining 30 points.

Why are we opposed to the REIPPP?

- Although the Department of Energy (DoE) always states that it is the IPPs that will take all financial risks associated with the programme, what is never revealed is the fact that National Treasury stands as a guarantor in case that the winning companies do not receive rates stipulated in the Power Purchase Agreements (PPAs).
- Eskom as the “buyer” of electricity from IPPs will potential recoup what it pays to independent power producers through electricity tariffs
- Bidding makes the exercise expensive & renewable energy less competitive
- Opens the development to domination by multinational corporations in the RE sector

The focus on the grid and what this misses out

- Provision of energy needs to those who remain off-grid
- How RE can be an important lever that women can use in their struggle for equality
- RE as non-commercial means of subsistence
- RE as part of larger efforts towards energy democratisation, energy equality and a restructuring of societies away from production for profit
- RE's contribution in constructing new egalitarian relations of production and exchange

What the IPP'said at the Windaba 2014

Our core business is to build wind farms and produce electricity ... Not Socio-Economic Development ! So government must draw the line and this obligation must come to an end.

Thank you