

More Tariff Hikes as Eskom Faces Meltdown

Are South Africans willing to take the financial hit they are not responsible for?

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/EINPresswire.com/ -- This week, the mother city of Cape Town saw the start of nationwide public hearings. The purpose of these hearings is to establish whether Eskom should be granted the 15% tariff hike it applied for over the next three years. Naturally, the mere suggestion has been met with overwhelming negativity, and rightfully so. Experts agree that if Nersa (National Energy Regulator SA) was to approve the tariff hike request, it will only cause more financial challenges for everyone involved.



As it stands, Eskom has accumulated a total of R419bn in debt. At the beginning of 2018, this total was R380bn, which shows a significant increase over a very short time. This happened in spite of the special task-team appointed by the president himself. The fact that some members of the appointed team abandoned their positions in recent times only makes the situation more difficult.

South Africans had to listen to the Chief Executive of Eskom, Phakamani Hadebe, confess in front of Nersa that the power utility is on the brink of a financial meltdown. They also had to listen to Hadebe admit these challenges could have been avoided, and that no real plan exists to turn the company around.

Where does this leave the South African citizens?

For the most part, experts agree that such a big hike at this point in time is most likely to backfire, whether it is granted or not. More specifically, they expect citizens and business owners to start exploring alternative energy. This is mainly due to the lack of trust the public has in Eskom, as well as the individuals in key positions, but this is not the only source of concern. The effects of state capture are still relevant in several of the expensive contracts and tenders Eskom went into during the Zuma administration, putting only more strain on the broken utility company.

And the most practical alternative comes in the form of solar energy. What South Africans need to ask themselves is whether they want to continue seeing unbearable price hikes as Eskom sinks deeper into debt? Or do they want to break away from the cycle by investing in solar power? Considering the latter is getting more affordable every year, while the former will never stop increasing.

Even though a final decision has yet to be reached regarding an increased tariff hike for energy, is it really worth waiting? Will it make a difference whether the request is granted? There are no

guarantees that the increased price will cover the shortfalls of Eskom, which is not the case with a solar system in place.

It is in the best interest of every South African to get informed about affordable energy solutions, like those offered by [Solar Advice](#). Because at this point in time it is critical to plan for the future, especially when there is a possibility that the country can be left in the dark – completely.

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