

**2219. Mr S J Njikelana (ANC) to ask the Minister of Energy:**

Whether she has found the rolling out of free basic electricity (a) in rural areas and (b) to (i) the poor, (ii) women and (iii) child-headed households has met the required terms of reference; if not, why not, in each case; if so, what are the relevant details? NW 2786E

**Reply**

(a), (b),(i),(ii),(iii) No, there is a general challenge of monitoring Free Basic Electricity (FBE) on the ground as it is difficult to establish accurate figures the Department of Cooperative Governance and Traditional Affairs. CoGTA has reported that they are undergoing structural change to integrate resources to monitor FBS. Presently, it is difficult to separate the estimated statistics of the beneficiaries as woman or child-headed households, but in general these have been referred to as indigent households. The estimated national implementation of Free Basic Electricity/Free Basic Alternative Energy (FBAE) is estimated at 70% to all the qualifying indigents as there are diverse numbers of challenges. The customers have to re-apply annually to their local municipality to be classified as indigent, and hence these statistics are not always up to date.

From the few years of implementation of FBE, it is clear that it serve as a tool to address inequality and to help the poor to gain access to modern energy services. Rural households tend to use a number of different fuels to meet their energy needs, including biomass, paraffin and electricity to basically provide for cooking, basic lighting, access to a black-and-white TV and a small radio.

There are other programmes presently complementing FBE in the Energy Sector as further measures introduced to address affordability and protecting the poor and they are:

- Implementation of Inclining Block Tariff (IBTs). Even though other Municipalities are currently experiencing challenges with regards to the implementation. Provision of free 50kWh of grid electricity per month to all households with concomitant blocked or stepped tariffs for electricity consumption beyond 50kWh to mitigate the cost implication of the free basic electricity provided.
- Facilitating access to electricity through government subsidised electrification (>5,5 million connections made);
- Free connections provided to municipality and Eskom low consumption residential customers; and
- Lower price increases applied to low consumption domestic customers (5-10% vs general increase of up to 26%).