

Civil Society Energy Caucus
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Preparing for COP17 and beyond – renewable energy roll-out implications for poverty and justice

Facilitator: Liz McDaid

Introduction: *Liz McDaid*

Introducing the Energy Caucus, with a theme of preparing for COP17 and beyond, and the transition to a greener economy. Overview of ground rules, schedule.

Schedule

- 10:00 Welcome
- 10:15 News
- 11:00 Networking tea
- 11:30 Panel 1: private sector as answer to Eskom's failure
(Eskom as state enterprise that's responsible for electricity that is not rolling out renewable energy, and private sector is rushing to invest in RE. What's best for SA?)
- 12:30 Networking lunch (no bottled water, vegetarian)
- 13:00 Panel: renewable energy – will it increase the price of electricity for the poor?
Access to info, pricing, 1 trillion rand for the nuke bill, hearing that RE is expensive, are households getting more expensive electricity?
- 13:30 Anton Eberhard from NPC, discussion
- 14:30 Campaign working sessions
Look at where orgs are campaigning strongly, how to work with partners and strengthen those campaigns (eg cop17, NPC, parliamentary RT, climate jobs campaign, anti-nuke campaign; leaders of the campaigns will find a space, done café style)
- 15:00 Networking tea and campaign report back
- 15:45 Closing remarks
- 16:15 Close of energy caucus

Introductions and news: who you are, why you're here

PANEL #1: The Private Sector as an Answer to Eskom's Failure

Chair: Jesse Burton, Energy Research Centre, UCT

Panelists: Zuki Jakavula, Just Energy
Woody Aroun, National Union of Metalworkers of South Africa (Numsa)

Zuki Jakavula:

Just Energy (JE) is neither the government nor the private sector; it is a non-profit development company. Its business model is to work with communities to maximize their potential, and to create

value through originating, selecting, licensing and evaluation to create viable projects. JE's involvement is finished when projects are ready for construction. JE insists on 10% free equity for the community, based on landholdings or being custodians of the land.

In one example, the community held 40% of the project, while 30% was financed by the development bank of SA. The community then has the right to use this equity for its own social and economic development plans. JE emphasized that it does not exist to maximize profit, but to cover its own costs and get projects started.

Woody Aroun:

Climate change discourse and debate cannot be taken for granted, and policies are not cast in stone. Very few unions made submissions to the Green Paper on Climate Change. Samwu and Numsa did, in recognition that unions must be proactive in addressing climate change. SA's hosting COP17 has put pressure on unions to deal with the issue.

Numsa sent representatives to a week long course on climate change and international negotiations put on by UCT's Energy Research Centre. Numsa convened a national workshop on climate change, drawing from a wider network, and held an energy focus session on IRP 2010 governance.

Key questions are: who controls energy? Who controls usage? Where are renewables?

The Renewable Energy White Paper (2003) set a good target for electricity generation from renewable energy. According to an ILO report, South Africa has met between 1 and 4 percent of the target in the last eight years. SA makes pronouncements but little gets done. The private sector is driving the shift from fossil fuels to renewable energy, spending 211 billion in 2010. Money for these investments is coming from banks, institutions, big financial institutions; very little investment is made by governments.

The South African government has made a commitment to supporting renewable energy, but prefers to let the private sector do the work. For example: the renewable energy feed-in tariff (REFIT) was changed to a bidding process, with a R 15,000 fee to view the bid documents, thus closing off the process to smaller producers. The Government is not making a commitment to take ownership of RE and would prefer that the private sector carries the risk. Numsa would prefer state intervention; if RE is left in the hands of the private sector, it will become another commodity that must be paid for, could become a source of exploitation, and be detrimental rather than beneficial to poor people.

Q/A, Discussion

**Are small scale farms included as JE projects?*

Agriculture specialty studies are used to determine the potentials of possible turbine locations. JE can't tell shareholders what to do with their equity; while JE might encourage a community to continue farming, for example, but can't force it.

WA: The renewable energy generation target was set in the Renewable Energy White Paper (2003). The cited ILO figure of 1% success in generation comes from a 2010 study on skills in SA. The previous Minister of Energy had said SA has achieved 4% success in meeting the target (reference unavailable). The government is very slow in meeting its target, partly because it wants to shift responsibility onto the private sector. A lot of money was spent on Nersa to develop Refit. Refits were reviewed and the tariffs fell, upsetting business.

**There is asymmetry between renewables and nuclear. Nuclear is funded by taxpayers, and renewables by the private sector.*

WA: There is a lack of a clear position and also incoherence in public policy on the issue of renewables and nuclear. Each department sticks to its departmental positions. When Eskom was set up, it had a transparent stakeholder forum. Then Eskom was corporatized and set up a board, so people lost power. The old energy policy forum was scrapped. People need to have access. Numsa decided not to sit on the board because others had vested interests that Numsa didn't agree with.

**Have there been further development around accommodating communities in the energy sector? To Woody: How do we review government targets? The Energy Caucus meeting in 2007 established governing principles. Campaigning often comes to nothing because of rich companies taking the projects they want. How do we work with communities on the ground?*

ZJ: Legally binding lease agreements are needed to get projects up and running. With issues of land tenure, people are living on land and think of it as theirs, but they cannot legally sign a lease agreement. This is a big challenge to developers who want to work with communities.

**Be alert to when the government says one thing and does the opposite. It says it will build a solar park; yet, Eskom will not fund its own RE division.*

**There needs to be a role for the private sector because technology is constantly being updated. With Eskom and the DoE in bed with fossil fuels and nukes, have the private sector play a role. But a strong regulator is necessary to ensure that the market doesn't take over and that distribution is equitable. RE can get in places where fossil fuels can't.*

**Communities have to play a role in generating energy. Access to energy is a big issue for communities everywhere. Renewable energy projects, either by Eskom or private companies, are based on people getting loans from different international finance institutions, making electricity expensive in rural areas. Access is still a problem. The political will is not there. SA's need for diversified energy sources includes nuclear and renewables, so this tells us where the government's directive and priorities are. We should be able to raise this within our community-based organizations. This is a challenge of people's organizations, especially those aligned with the ANC.*

ZJ: JE is one project and company, but does this prove that there can be positive private sector involvement. JE doesn't have shareholders to be accountable to.

**Who decides that 40% will be imported? We have experiences in Khayelitsha with the private sector. Who is involved? Which communities are you working with?*

ZJ: The first point of contact was a farmers' cooperative that approached JE. We defined community as 20km around the project site, which involves cooperation between 3000-5000 people.

**Do communities have a say over the project itself? Do communities understand their power? Why 40% community ownership, why not 90%?*

If you own 40% of a corporation, you have a big say of where the project goes, just as in any other scheme of shareholders rights.

**According to the government, a socioeconomic development plan should be submitted so examine issues of community dynamics, who is nearest the site, what social structures are available to prevent conflict (inclusion/exclusion). Two community trusts have been established: a landowners' cooperative*

and a trust that includes other surrounding villages. This sets up a structure for future investment planning.

**There is a difference between the risk in a pebble bed nuclear reactor and the risk in renewable energy. What's behind the private sector paying for risk? How is Numsa trying to achieve change in terms of the state taking responsibility for renewables?*

WA: The 30% local requirement is only in the construction phase, according to the government, and does not necessarily refer to technology transfers or anything else. Informal workers are involved in the construction phase.

**To what extent will the public sector and the state drive a green technological revolution? What role can the private sector then play? Eskom isn't the state; it operates like the private sector. There is a minerals-energy industrial complex. Eskom is not doing anything to reconfigure the grid to allow for wind energy generation. RE is about localizing energy and putting local government at the center of driving RE.*

**Discussions are not determined by us; they are determined by government and the interests of business. It becomes an elitist discussion. We need to be proactive rather than reactive. Most of the time we have to go to the sources of the problem. People living in abject poverty don't care about where their baseload comes from; they want to improve their lives, but at the same time they are the ones who are bearing the impacts. The world cup spirit should be used to promote renewable energy, but this isn't being done. There is this energy only when poor people are being used. When people are not informed it becomes difficult to make choices. When powerful interests come in, they will talk about jobs but not about other advantages and disadvantages for different energy mixes.*

**Do you think decentralization of labor markets.... (unable to hear rest of question)...*

WA: We have got to change the system of production and consumption and change the way the economy is structured and patterns of ownership. Things can be appropriated so easily by capital. We can't just change the system, but we need to change the way government and society think about these things. Collective ownership is very important. We are trapped in an environment with multilateral agreements, the WTO, etc, that affect the ways that RE resources are distributed and who owns them. We need to think of changing patterns of what is produced and consumed.

**Concern about levels of education and the conversations with communities in public private partnerships (PPPs). Conversation needs to evolve beyond supplier/user. Education needs to be stepped up.*

ZJ: There are political barriers. We want to engage local communities. Municipalities often do not know what you are talking about. Windmills started in Eastern Cape, so this is an existing example to use with municipalities, to use what is already in the area. Dealing with municipalities is the biggest stumbling block, as is dealing with the national government and problems with land tenure issues. Environment and Land Affairs put a moratorium on the disposal of state land. The national government is too far removed, while the local government lacks knowledge. Haven't engaged with people about HOW they use energy.

**Foreign investors will be invited to fund renewable energy. I am worried that it will be BAU because people are looking for profit instead of working with our local companies. RE is going to be more expensive than existing energy; it is BAU for international investors in Africa.*

ZJ: I don't see anything that wrong with that position. It is an ideological difference. The IPP process should have local content.

**This is not about money. One NGO can spend R 4.5 billion on RE sites. It is about mindset. We need a process of positive engagement and positive messaging. We should engage at a different level: what is energy and what does it mean to you.*

**You (addressing unions) are lucky because the government will talk to you. They run away from us. We don't want to see an issue like Fukushima. What is the disaster management strategy? RE is not recognized by the government. It is important to take this to the government, and also show people what it is before we start building it. Building, maintaining, decommissioning, waste... there are so many things to consider.*

**The discussion is missing the energy commons, which includes the planet.*

**We have to remember a long history with privatization: privatization is rationalized on the basis that we need the private sector, but will address its acknowledged problems through regulation. Regulations haven't worked. When they do, the private sector complains about red tape and wants to get rid of the regulations. .*

**A PAIA request has been launched for the government's nuclear energy response plan.*

ZJ: Large scale RE projects are not job creating entities. (?) In my personal dealings with Eskom on local level, they have been supportive of projects. Two to three years from now, there will be more off-grid generation.

WA: it is hard to separate capital and labor. Community involvement is needed. One problem is that councils protect workers in certain sectors. In a study on waste-pickers in Free State, there are protections from the local council. The Sasolburg case shows what happens to workers in vulnerable sectors when there is no protective legislation. Those who are protected must fight for that legislation to protect those in the weaker sectors.

PANEL #2: How Is Electricity Currently Priced?

Chair: Brenda Martin, Project 90 by 2030

Panelists: Hilton Trollip, City of Cape Town
Tristen Taylor, Earthlife Africa Jhb
Gary Pienaar, Idasa

Hilton Trollip:

Hilton explained the basic framework of electricity costs and the role of electricity revenues in the city budget. Many people say the City gets most of its revenue from electricity and is profiting from electricity. The purpose of this presentation was not to take a political position, but to explain where electricity fits into municipal finance.

Goods and services sold in Cape Town total about R 200 billion. The 2011/12 city budget of R 22 billion is about one tenth of this. The municipality serves about 75% of electricity customers, while Eskom directly serves the remaining 25%. R 8.1 billion was collected by the electricity department per year, or about 1/3 of city revenue. The municipality also collects revenue from other services, which is meant to be at cost.

What does the city do with the revenue? Of the R 7.3 billion expenditure; City also spends 5.5 billion from Eskom. Staff costs are 700 million of elec dept

How does the city decide what to charge people for electricity?

The city estimates demand by predicting different categories of consumer and how much each category will likely consume. Tariffs are set to cover the costs for this estimated demand.

The electricity tariffs are:

- based on projected consumption and costs
- approved by Council
- a key component of the City budget
- approved by Nersa

Hilton emphasized that the electricity budget is voted on by a democratically elected city council on an annual basis.

In 2007, Cape Town's electricity revenue was about R 3 billion. In just seven years, the revenue is expected to grow to R 12 billion. This estimation comes from the website [WHICH ONE]. We must ask ourselves if this scenario is plausible, because it is in the city's budget projection. If the city sells less electricity than expected, then it will need to cut its expenditure in other areas because it was counting on electricity revenue as a source of finance. Once the city has planned its budget, there is a problem if the electricity expenditure is much less than expected.

Tristen Taylor:

According to the National Energy Regulator Act that governs Nersa, an electricity generator must get reasonable rate of return (profit) for its activities. In a state-owned electricity distribution system, Eskom is a profit-making entity. This idea runs down to the municipal level.

This way of thinking hasn't been questioned enough. Why should electricity not be considered a public good? South Africa doesn't ask hospitals or land services to pay a profit. So why do so with electricity?

Profit may become a motive in the nuclear bill. Perhaps the nuclear industry will work off a set tariff, similar to the REFIT, but this needs to be interrogated. The external costs of nuclear may actually exceed a tariff.

Nersa allows several anomalies in the tariff structure:

- Costs passed through to consumers (which ones?)
- People don't have a choice of whom to buy electricity from; therefore, Eskom never has an incentive to change its behaviour.
- Nersa designs the tariff during the multi-year price determination (MYPD). It calculates an average tariff price. This price does not exist as a tariff itself, but is an average of all of Eskom's tariff structures. Costs are distributed in different consumer brackets.
- Special purchasing agreements. Eskom sells below the cost of production to big entities like Anglo-American. Eskom sells to residential consumers at a relatively higher cost.

In summary, the main problems with the current electricity tariff system are: 1) the profit motive; 2) Nersa allows Eskom to maintain different price categories but institutes only general price increases, not directed toward particular categories and particular users; and 3) exceptions to the general price increase are made in the case of special agreements.

Gary Pienaar:

Recently in Parliament, many things have not been disclosed to MPs or to the public. MPs' questions call the executive to account. But these questions are not answered. Questions have arisen regarding ministers' travel schedules, upgrades of presidents residences, and so on.

The Right to Know (R2K) campaign has had some encouraging successes because the Protection of Information Bill has changed a lot thanks to civil society pressures. But concerns remain. It is still possible to classify information when it relates to scientific/economic matters that are essential for the "security" of the public. This is conceptually unclear. Whistleblower protection is still very weak, with no protections for journalists. Whistleblowers are exposed to heavy penalties for promoting the public interest.

The initial process around the development of the REFIT was open and consultative. When the REFIT was changed to a competitive bidding process ("Rebid"), not a single public statement was issued. Information was available through officials' interviews with journalists. The development of this process was very exclusive. Participation costs R 15,000 and signing a confidentiality agreement. This sets a bad precedent for the procurement of nuclear power, as nuclear procurement could fall under the purview of the POIB.

New generation regulations were promulgated a few days after IRP2. These regulations require impact and feasibility studies. But nuclear is excluded from regulation in the new gen regs, so the executive has a lot of personal discretion in procuring nuclear energy. It will be hard to ensure accountability. What will be the costs and who will pay for it?

Q/A, Discussion

**Where do Eskom's profits go? The regulator gives Eskom revenue to cover its costs (operating costs, depreciation costs, rates of return on its assets equal to the cost of capital). So the profit is giving Eskom a rate of return to finance its projects. The comparison to hospitals is difficult because they have very different budgets. Most of electricity budget is paid by consumers. We should be more critical of profit in municipalities. Cape Town is getting R 1.5 billion in profits.*

TT: Nersa's annual report speaks of profit and loss from Nersa. The Department of Public Enterprises has not taken Eskom's profit, but allows Eskom to reinvest. Can we think of electricity as a social good? If electricity is given for free, it becomes a public good. Why don't hospitals get subsidized electricity? There are good reasons to sell electricity at less than its production value, but smelting isn't one of them. Maybe health care is.

**Where is inequality and lack of access reflected?*

HT: Most of the electricity in Cape Town is sold to mid- and high-income households who have to pay more. If a household uses more than 600 kWh, it must pay a higher rate than those who consume less.

Most of the revenues recovered comes from wealthy households through a progressive tax. I hope that how it is spent will be increasingly democratic.

There is nearly 100% electricity access by formal households. Access must be extended to all informal households as well. There is problematic national legislation dealing with unclaimed land. The city is not allowed to do anything on that land according to national legislation.

**Is Khayelitsha part of municipal service provision, or is its electricity supplied by Eskom?*

HT: the 25% provided by Eskom is all over, not in specific areas. The City is not making a profit; these funds are used to cross subsidize other services. It is appropriate to ask if it is right to do that. I am not discussing whether this is good or bad, but am talking about the effects. The surplus recovered in electricity sales (profit) goes into city budget and is hired by the city according to the budget, which is decided by democratic council.

**It requires R 15,000 to even see the Rebid RE procurement documents, not to participate.*

**Is the timing of the secrecy bill related to the timing of the nuclear bill?*

GP: I can't speculate on timing of secrecy bill in relation to nuclear procurement. When the POIB came out, we were talking about security services and conflict within ANC. There are many reasons for secrecy.

**The City won't encourage households to generate their own electricity. The City should be looking at owning its generation capacity.*

**What is Nersa's role in nuclear?*

HT: Nersa plays no role in nuclear safety.

**Why are corporations paying less than communities for electricity?*

**What proportion of Cape Town households get their electricity for free?*

HT: There are plans and processes; if you want to engage with this process, need to understand what you're going to be engaging with. When we look into future, how much electricity do we want? Who's it going to go to? It isn't inevitable how much will use and how much will cost? Given these demand projections, what will we need to build? Eskom's MYPD presupposes a certain price consumption. If there is a drop in consumption, then there is a corresponding drop in revenue.

**This is reactionary. Where are the examples for how to change the system? What about the Icelandic system, creating a knowledge economy and a safe haven for information advocacy?*

GP: About R2K being reactionary: some members of R2K tried to be constructive as well as reactive. There is an argument to be made for being a more inclusive society.

**Is Cape Town installing any solar systems for free?*

HT: city isn't installing SWH for free, although it is putting in place a system for installation. Eskom has a subsidy for low-cost SWHs that don't use electric geysers. The city is not installing or providing.

**The government and Eskom are making profits. This is the reason for high tariffs that make ordinary people suffer. The government says they are electrifying houses, but they are not counting cutoffs due to unaffordability. Eskom is producing energy for the global North multinational corporations; ordinary*

people are paying more than multinationals, so profits are shifting to the global North. The energy produced here is not for us, for the ordinary citizens, it is for the global North. South Africa is first in Africa in GHG emissions and 12th in the world. The government is afraid of the risk in shifting to renewables and knows it is gaining a lot with coal.

TT: why do people pay more than companies? This depends on the percentage of returns you get. Eskom will say it loses money on providing to households and makes money on providing to corporations, because of scale. But this is at odds with way Nersa sets the tariff. Eskom's average cost of production is 27%. Look at the average cost of sale per category of user. In this framing, residential users are paying much more. One rationale for having Eskom is that you can spread costs around.

Presentation by Anton Eberhard – National Planning Commission

NPC Commissioner; and Director, Management Programme in Infrastructure Reform and Regulation at the Graduate School of Business at University of Cape Town.

The National Planning Commission has 25 commissioners, who are from a mixture of backgrounds: academic, Cosatu, business, research groups, etc. Commissioners are appointed for five year periods and are tasked with presenting a vision for South Africa in 20 years' time with a plan for arriving at that vision. The draft plan will be issued on 11/11/11 and will go to the President and the Cabinet.

The NPC is not part of the government and should be an independent and critical perspective on the future. See www.npconline.co.za for the NPC's diagnostic document.

The plan will focus on two main objectives: eliminating poverty and reducing inequality. Nine challenges have been identified, which form the chapters of the plan:

1. Unemployment
2. Poor educational outcomes
3. High disease burden
4. Crumbling infrastructure
5. Resource intensive economy (includes transition to a low carbon economy)
6. Corruption
7. Spatial development patterns inherited from apartheid that marginalize the poor
8. Uneven public service performance
9. Divided communities

Anton has been focusing on economic infrastructure, such as electricity, transport, water and ICT. The Commissioners consulted a wide range of stakeholders and honed in on areas that are cross-departmental to encourage more consistent government action. The climate and energy sectors are obvious choices for increasing cross-departmental cooperation.

What does the NPC want the energy sector to achieve in 20 years?

1. The energy sector must underpin **economic development**
2. Energy needs to **promote social equity**. Elements of energy provision are a social good.
3. **Environmental** sustainability. The energy sector has a large environmental impact.

The right policies, institutions, mechanisms, and competitive markets are needed to achieve these outcomes.

The vision:

- Change in the energy generation mix whereby coal contributes less and gas, renewables and imported hydropower will contribute more;
- More people will drive electric vehicles;
- there will be an overall decline of the energy intensity of the economy;
- More diversified energy market;
- More opportunities for a larger range of stakeholders to invest in energy;
- More innovative energy solutions with more predictable outcomes.

South Africa's energy sector is both coal dependent and energy intensive due to its minerals endowments and the history around minerals extraction. The sector is also very unequal. It is inconsistent in both organization (state-owned vs. private) and regulation (e.g., petroleum is tightly regulated in comparison to coal, which is almost totally deregulated).

Controversial proposals:

Coal

When the DoE presents its annual report, the word "coal" appears about three times. Yet coal comprises 70% of energy and 90+% of electricity generation. There is no central coal policy that asks questions like: What is sustainable use of coal? How should the country respond to climate change in terms of investments in coal? How will proposed new Sasol projects be evaluated? Vested interests in the coal industry are very discouraging of any change or additional regulation.

Three issues to be resolved:

1. Coal reserves in the central basin are in serious decline.
2. Some Eskom power stations will be decommissioned; Eskom has secured 70% of its coal needs, but where will the remaining 30% come from? Will more power stations be closed? will we need to open heavy rail lines to link stations?
3. Issue between domestic supply and exports

Gas

Proposal: lift the moratorium on shale gas exploration. Huge reserves are estimated, but these also carry big environmental costs. Gas carries the potential to de-carbonize the electricity sector and curb emissions over time. Another option is to import liquefied natural gas.

Progressive de-carbonization of electricity

The Integrated Resource Plan shows a significant change from past policy. Although there are weaknesses, the IRP is a good start. The plan should be updated every two years.

Sector restructuring

....Accelerate introduction of independent power producers (IPPs).

Distribution

Nuclear

The NPC found massive unresolved issues around nuclear power, including financing, skills, and so on.

Liquid fuels

South Africa is moving toward cleaner liquid fuels (Euro 5 standards requiring refineries upgrades). PetroSA would like to construct a new refinery now, but the NPC thinks it is too soon for this.

Biofuels and electric vehicles

Integrated energy and electricity planning

There were the beginnings of a process here, but it has been less than ideal in terms of public participation and in connecting different spheres of government (e.g., water, DTI, energy).

Q/A, Discussion

**Question on systems thinking*

**Carbon tax: did the carbon tax proposal come out of the NPC or from Treasury?*

AE: Systems thinking has been poor in the government. The NPC has tried to think across partners and issues.

The carbon tax was led by Treasury, which wants the carbon price in the economy. This is a good idea in principle because it begins to reflect externalities, but there are problems with applying it to SA's concentrated energy sector. We don't want to pass the costs on to consumers and therefore the tax should be coupled with some exemptions, or perhaps direct taxes on petrol-powered vehicles, etc.

**What is the role of other institutions' engagement in the NPC and challenges around this?*

AE: The NPC has tried to use cross-sectoral thinking, especially around water. Most energy production has water implications, so the NPC tried to look at these issues together.

**Is nuclear inclusive in the draft?*

AE: It is premature to recommend investing in nuclear and we want a more thorough investigation of all the options. Gas could be a serious alternative to nuclear. It seems that the government is very interested in carrying on with nuclear power and will set up an inter-ministerial committee. The NPC would like to see more assessment of whether it is a good idea, with consideration of finance.

**Could plan compel municipalities to have more EE/DSM, in terms of standards and inspection? Such as municipal level smart grids or reflectors around street lamps?*

AE: Demand side management was mentioned in the plan, but not in enough detail. One criticism of the IRP is that it does not place enough emphasis on EE/DSM.

**The visions of the energy sector sound good. Did this commission have inputs or will it influence the government's position at COP17?*

AE: The debate around transitioning SA to a low carbon economy has been a difficult area for the NPC. Some people are concerned that pledges from Copenhagen mean that we can't reap potential benefits of SA's minerals endowments. If we adopt modest changes, good improvements in EE, and assume aggressive decarbonization of electricity, we will overshoot our Copenhagen pledges.

**What is the balance of power between the NPC recommendations and, for example, the DoE? Who has the final say? Who is working on environmental issues on the NPC?*

AE: The NPC is not a part of the formal government and has no executive authority. The work of the NPC depends on the degree to which its arguments are seen as powerful and can build coalitions of support. Recommendations go through Trevor Manuel, who will present them to the Cabinet and engage other ministers. Some sectors are very touchy about the NPC coming in, while others are more welcoming of the NPC having a convening role. Without power or a mandate, a lot of soft strategy is needed.

**The NPC is proposing solutions, but is short on analysis of history and the potential of concentrated and very powerful players to make their decisions and have their way. Government is susceptible to corruption, and this area of analysis is missing. Does the NPC have a role to play there, or who can play that role?*

AE: Recognizing that unless we understand vested interests in the electricity sector, the ISMO Bill is an essential, if modest, step. Getting new generation of coal out of the picture would be a fundamental change. We need effective institutions to back it up, and accountability is a strong theme in all of the Commission's work.

**Is there a city generation consideration?*

AE: Treatment of municipalities is a weakness in the plan. There is consideration of spatial planning and the future of cities, but not yet a good integration between that chapter and the energy chapter. Phil Harrison is leading the city development area and we welcome more ideas for this.

**Regarding carbon capture and storage: if carbon is sequestered off the coast of Durban, far from sources of carbon, we would need to build a pipeline, consider liquification, and so on. There are a lot of ifs. This puts carbon capture and sequestration on a very long timeline.*

Regarding IRP2: the original preferred least cost scenario did not include nuclear; it was later reinserted.

AE: Carbon capture and storage is difficult, costly and still far in the future. I am uncomfortable with sticking something in the ground that future generations will have to deal with. The NPC position is to keep investigating.

**heard a lot about npc energy paper, didn't see it. Told at consultations that plan wouldn't be out on 11/11/11. Would reflect conversations had thus far. What's the plan that will come out? Or is it a plan proposing various debates? Question of clarification about the document to be issued on 11/11/11.*

AE: The plan is a 350 page draft. Different areas will have different levels of specificity. The transition to a low carbon economy is supported in principle but has fewer details than necessary. Some areas of the plan are still not in ideological agreement. The NPC would prefer another year to work on the plan, but is putting it out now due to pressure from the President.

**This plan seems like a BAU way forward. The NPC's mandate was to be visionary and look at the transition to a low carbon economy, which involves fundamental transformation. The strategies presented don't reflect this. The NPC plan will become a negotiated plan.*

AE: Anton agrees that that NPC plan is not a radical plan for a fast transition to a low carbon economy. But it is not exactly BAU. He thinks that no one will be happy with this plan. It is radical in saying that one big game changer could be gas.

**Who from civil society was involved in the NPC's energy discussions? Were these sections talking to each other? Why are we even talking about electric private vehicles? Why aren't we talking about a shift in transportation, e.g. to public and high-speed rail?*

AE: Before two yrs ago, every electricity plan was coal-based. We are taking small steps away from this and seeing some evolution in BAU, and now the incorporation of renewable energy is the new BAU. There has been a fundamental break with the past.

**The plan is capitalism dominant; what about a collective alternative system? What are we doing on the ground? Where is the bottom up approach? What happened to the anger about poverty?*

AE: Social equity is one of the goals of the plan and we are putting in realistic targets. There simply will be no universal access by 2014. So the plan goes in steps.

**How would you describe the economic paradigm that underlies the claims? You are talking about global competitiveness, competing in trade... why does the system create wealth by extracting resources from the ground? Inequality is built into the system. Is it going to be redistributed? Are we going to cap conspicuous consumption on the other side? Is the plan providing for people or for capital?*

AE: We have been discussing the chapter on energy, and there will also be a chapter on the economy. Anton describes paradigm as social democratic, while focusing on job creation as a way to tackle poverty and inequality.

**What are the implications on water resources related to solar energy, gas, fracking?*

AE: Water is critical in the fracking debate, especially water scarcity and the potential for pollution. Much less water is used for fracking than for coal and concentrated solar. But there are very serious pollution and environmental problems.

**Are you asking yourself the wrong question? Wrong question gets wrong answer. The plan is not as visionary as should be.*

AE: This is an issue of consultation. There was a jam, but very little debate on energy and the environment in the NPC jam.

**The NPC jam was superficial.*

**Disagrees that we've come a long way in terms of energy thinking. Where is plan going, and will it actually affect policies that are already in place? Is it too late, for example, to say 'no' to nuclear?*

**How do we create climate jobs out of cogeneration or other things that are not detrimental to the planet? Planet first, people second, then profit.*

AE: We are concerned about the environment because of the potential impact on people. Coal is what we need to rid ourselves of. Gas can potentially cut SA's emissions in half.

**You can't solve problems with same thing that created them. This analysis still locked into the same framework: export, growth, corporate, materialism, state-market dichotomy. How do we look into a deeper level of human relationship with the environment?*

**Cities could be key. Allow them to generate their own power.*

**We need to think outside the box. The structure of this discussion follows old patterns. We should include artists, young people, elders. How do we bring extra-paradigm thinking into the planning and discussions?*

**Is unconventional gas framed in the same way as gas? We don't have to start drilling to find it, because exploration already causes a lot of damage.*

AE: Unconventional gas has a higher carbon footprint than natural gas, but still much lower than coal. If we substitute unconventional gas for coal, the carbon footprint will drop. This should be considered in conjunction with renewables.

**How will what you've heard today have an influence?*

AE: The plan is on its way to the editors and printers. But I hopes to take the discussion forward.

BREAKOUT GROUPS

15-20 minutes discussion around campaigns, then report back.

Groups: nuclear energy, C17

Nuclear Energy Group

There are big concerns about the power stations being built. A legal mechanism can be used. There is a need to reach out to people in communities, to mobilize, educate and create awareness so that people understand what the expenses and costs are.

How can this group create alliances? The Koeburg Alert website can be used.

Working on Koeberg is most practical proposal and way forward at the moment.

The nuclear bill is being pushed thru cabinet this week, so need for very quick mobilization. A ministerial commission, do they have advisors and board and how to follow that up

Campaigns ; part of ELA, have some infrastructure to take place in the community

18-20th event, need representation.

The government is saying that it is going on with nuclear power and bringing in France to look at plans, as they don't want a repeat of Fukushima.

C17 Group

The standing committee was nominated earlier this year. Please see the website at www.c17.org. Please promote your activities in this web space.

We shouldn't be excited only about going to Durban for COP17; we must focus energy on educating civil society. This is not a one-time event. We need to educate people more about investing in energy.

Include faith based communities and extend invitations to organizations that might see themselves as part of the process. We need a progressive audit that is separate from the corporate audits in terms of the Kyoto Protocol.

Other comments:

Disappointed that not everyone participated in the group discussion. There was some deadlock and people who doubt other people. Is there are certain way you should talk about climate change. I was surprised, should include everyone. Whether it is technical language or not, the effects are not technical everyone is feeling it.

Misinterpreted, think CC is too big a subject to boil it down to how it affects you

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Closing of caucus. Invitation to evening networking event at 6 Spin Street.