



SERVICE DELIVERY PARTY
POLICY WHITE PAPER & INTEGRATED DEVELOPMENT PLAN SUBMISSION

Cheaper Electricity, A Smarter City

From electricity distributor to energy city

Buy cheaper. Generate cheaper. Store cheaper. Trade smarter. Share the savings.

Cheaper Electricity, A Smarter City

Executive Summary

Electricity is no longer simply a municipal service. It is one of the most important determinants of whether a household can live with dignity, whether a small business can survive and whether Cape Town can remain economically competitive.

The central problem is increasingly clear. Wealthier households and businesses can reduce their exposure to rising electricity prices through solar photovoltaic systems, batteries and private generation. Poorer households, tenants and township businesses generally cannot make the same investment.

This creates an energy inequality in which the people least able to absorb higher electricity costs remain the most exposed to them.

The Service Delivery Party believes Cape Town must fundamentally change its approach. The City should not remain primarily a buyer and distributor of electricity. It should become an active generator, purchaser, manager, trader, aggregator and facilitator of electricity.

*"Buy cheaper. Generate cheaper. Store cheaper. Trade smarter.
Share the savings."*

Cape Town has already demonstrated that cheaper electricity can be procured. On 31 August 2026 the City concluded its first two power purchase agreements for a combined 70 MW from solar plants in Atlantis and Philippi. The City says these agreements are 19% to 21% cheaper than current Eskom rates, with price increases linked to CPI rather than Eskom increases. This is an important breakthrough.

The SDP's position is that cheaper procurement must not simply improve the City's balance sheet. A measurable portion of verified system savings must ultimately translate into greater electricity affordability for households, township communities and small businesses.

The policy therefore establishes two complementary tracks. Track One provides immediate affordability measures through a redesigned tariff structure, expanded support for working households and targeted assistance for small businesses. Track Two transforms the City's electricity system through municipal solar generation, battery storage, a virtual power plant, expanded wheeling, independent power procurement and the modernisation of Steenbras.

A third dimension cuts across both tracks. The green-energy revolution must reach Cape Town's townships. Townships should not merely be places where electricity is consumed. They should become places where electricity is generated, stored, managed and sold.

The SDP therefore proposes Township Energy Zones, Solar-as-a-Service for households, community energy hubs, theft-resistant energy systems, township SMME solar programmes and a Green Energy Skills Corps.

You should not have to be wealthy to own a piece of Cape Town's energy future.

PART ONE

The Problem and the New Model

01 The Problem: Cape Town's Energy Divide

Cape Town's electricity system is changing rapidly. Households with sufficient capital are installing solar panels and batteries. Commercial properties are doing the same. Businesses are increasingly exploring private power purchase agreements and wheeling arrangements.

This creates a structural divide. Those who can afford to invest can reduce their dependence on the conventional electricity system. Those who cannot afford to invest remain dependent on grid electricity while facing rising tariffs.

The result is an energy system in which the ability to escape expensive electricity increasingly depends upon household wealth. That is not sustainable.

Electricity affordability must therefore become a central objective of municipal economic and social policy. The SDP does not propose an artificially cheap electricity tariff that undermines the financial sustainability of the City's electricity service. Instead, we propose to reduce the underlying cost of electricity wherever possible while deliberately directing a portion of the resulting savings towards affordability.

The City must attack the problem from both sides. We must reduce the cost of procuring and producing electricity. We must ensure that the benefits reach the people who need them most.

02 A New Municipal Energy Model

The SDP proposes that Cape Town move from the traditional municipal electricity model towards an integrated energy-city model.

The old model is broadly: buy power, distribute power, bill customers.

The new model should be: buy cheaper, generate, store, trade, manage demand, reduce cost, share savings.

The City should progressively build a portfolio consisting of:

- Independent power producers

- Municipal solar generation
- Battery energy storage
- Pumped storage
- Rooftop generation
- Virtual power plants
- Demand-response programmes
- Wheeling
- Energy efficiency
- Waste-to-energy
- Local township generation
- Community energy systems

This portfolio reduces dependence on any single source of electricity. It also gives the City greater bargaining power when negotiating with Eskom, independent producers and private energy suppliers.

03 Legal and Regulatory Foundation

The policy is designed to operate within South Africa's existing constitutional and legislative framework.

Section 152 of the Constitution establishes the objectives of local government. These include the provision of services to communities in a sustainable manner. Section 153 requires municipalities to structure and manage their administration, budgeting and planning processes to give priority to the basic needs of the community and promote social and economic development.

The Municipal Systems Act 32 of 2000 provides the broader framework for affordable municipal services and specifically requires municipal tariff policies to take account of the needs of poor households.

Section 74 of the Municipal Systems Act allows municipalities to use special or lifeline tariffs as well as direct or indirect subsidies for poor households. Tariffs must remain financially sustainable and the extent of subsidisation should be transparently disclosed.

The Electricity Regulation Act 4 of 2006 establishes the national regulatory framework governing generation, transmission, distribution and trading of electricity.

The Electricity Regulation Amendment Act 38 of 2024 has further opened the way towards a more competitive electricity market, additional generation capacity and competitive electricity trading. The amendment commenced on 1 January 2025.

The SDP will therefore use every lawful municipal mechanism available while working constructively with NERSA, Eskom, national government and the private sector.

Legal Note

The Electricity Regulation Amendment Act was opposed by SALGA, the South African Local Government Association, on the basis that it risks undermining municipalities' constitutional right to reticulate electricity in their own areas. As a direct result, the Act's definitions of "reticulation" and "distribution power systems" were carved out and have not yet commenced, pending further presidential proclamation. This is the one part of the Act's legal architecture most directly relevant to this policy's energy-city model, and the SDP will monitor it closely and engage constructively with national government to see it resolved in a way that protects Cape Town's distribution and reticulation authority.

PART TWO

Immediate Electricity Relief

04 Track One: Immediate Electricity Relief

The first priority is affordability. The SDP proposes a review of the City's electricity tariff architecture to determine whether lower consumption households can be protected from excessive fixed and energy charges without destabilising the electricity trading account.

A proposed three-block structure is:

Block 1: 0 to 350 kWh per month

This block should receive the lowest feasible electricity rate. The objective is to protect essential household consumption.

Block 2: 351 to 600 kWh per month

This block should move towards cost-reflective pricing while remaining affordable for ordinary working households.

Block 3: Above 600 kWh per month

Higher consumption should carry a progressively higher tariff. This creates a stronger cross-subsidy mechanism while encouraging efficiency among high-consumption users.

The precise tariff levels must be determined through financial modelling and the City's annual tariff process.

05 Working Household Electricity Relief Programme

Existing municipal assistance mechanisms are primarily designed around indigent households and specific qualifying categories. The City's existing Lifeline tariff already offers a wide safety net, means-tested on property value below R500,000 (waived for registered indigent and pensioner-rebate households), with a free basic allocation and no fixed charge below 450 kWh of average monthly use.

That net still has a real gap. A working household on a combined income of R12,000 to R15,000 a month, sharing one roof across two or three wage earners or generations, will often use more than 450 kWh once a geyser and multiple occupants are accounted for, and may sit in a property valued above R500,000 simply because of where they live rather than what they earn, given how far property values have outpaced wages across much of the metro. That household is pushed onto Domestic or Home User pricing, with a real fixed charge and no free basic allocation, despite being no better off in cash terms than a Lifeline household.

The SDP proposes a new Working Household Electricity Relief Programme, known as WHERP, targeted precisely at that gap: households who fail the Lifeline test on kWh usage or property value because of household size rather than wealth, not households who simply earn more.

Eligibility should be assessed on income per household member, not gross household income. A flat household-income threshold, on its own, both excludes larger low-income households sharing one income and risks including a single high earner with no dependants. Weighting by household size is standard practice in means-tested support elsewhere in government and is a one-line design change that materially improves who the programme actually reaches.

WHERP's rollout should be explicitly linked to the Affordable Electricity Fund described in Section 6. Eligibility criteria and benefit levels will be set following the City's first published Affordable Electricity Statement, and funded from the verified savings identified in that statement, so the programme is fundable from the outset rather than promised ahead of the money that pays for it.

Rather than fixing a citywide target in advance, the City should first run a modelled pilot of 5,000 to 10,000 households across two or three wards with different income and property-value profiles, with a stated indicative monthly relief band (for example R150 to R400 per household). The citywide target and budget should then be set from what that pilot actually costs and delivers, not assumed upfront.

The principle is more important than the precise threshold or the eventual scale. A person who works should not be punished for working. The objective is to create a bridge between indigent assistance and the full commercial electricity tariff.

06 The Affordable Electricity Fund

The SDP proposes an Affordable Electricity Fund within the City's electricity programme framework. The purpose is to ensure that efficiency gains do not simply disappear into general municipal finances.

Verified savings generated through cheaper procurement, municipal generation, battery storage, peak reduction and demand management should be transparently identified.

Subject to the MFMA, Council budget processes and applicable legal requirements, these savings should be directed towards:

- Household electricity relief
- Township energy programmes
- SMME energy support
- Energy efficiency
- Further generation capacity
- Battery storage
- Grid resilience

The City should publish an annual Affordable Electricity Statement. Residents should be able to see how much was saved, where the savings came from and how the benefits were reinvested.

PART THREE

Buy Cheaper, Generate Cheaper, Store Cheaper

07 Buy Cheaper: Independent Power Procurement

Cape Town has now demonstrated that independent electricity procurement can produce prices below current Eskom rates.

The City's first two PPAs, with JEMPEC in Atlantis (30 MW) and Make A Difference LLC in Philippi (40 MW), cover a combined 70 MW. The agreements are for 20 years and the City reports savings of 19% to 21% against current Eskom rates. They sit inside a wider 200 MW competitive tender, itself part of a stated long-term City ambition of up to 700 MW of independent power procured over time.

This is not the City's only proof point. It has already built its own 7 MW solar plant with 10 MWh of battery storage at Atlantis, has mitigated an estimated 24% of load-shedding through its independent power and demand-management measures during the recent Eskom crisis period, and has already earned R36 million in carbon credits from waste-to-energy. These are verified results today, not projections, and they are the foundation the Affordable Electricity Fund in Section 6 is built on.

The SDP supports a major expansion of this approach. However, the distinction between procurement savings and household bill reductions must remain clear. A 20% reduction in the City's procurement cost does not automatically mean a 20% reduction in a household's electricity bill.

The SDP therefore proposes a transparent mechanism through which procurement savings are measured first. The portion available for affordability support should then be determined through the City's annual budget and tariff process.

Cheaper power in. Lower system cost. Verified savings. Affordability benefit.

08 Generate Cheaper: Solarise the City

Cape Town owns thousands of buildings and extensive infrastructure. These assets represent an enormous energy opportunity.

The SDP proposes a comprehensive Solarise the City programme. The City should conduct an energy and structural audit of:

- Municipal offices
- Libraries
- Civic centres
- Wastewater treatment works
- Water infrastructure
- Depots
- Parking facilities
- Community centres
- Sports facilities
- Suitable municipal land
- Other suitable public assets

The initial policy target is 100 MW of municipal solar generation by 2031. This is a planning target rather than a claim that every site is technically suitable. Each project must be assessed for structural integrity, grid capacity, generation profile, maintenance requirements and lifecycle cost.

The City should prioritise projects where solar generation can directly offset daytime municipal consumption.

09 Store Cheaper: A Municipal Battery Network

Solar generation produces electricity when the sun shines. Demand does not follow the same pattern. Battery storage therefore becomes critical.

The SDP proposes the progressive development of a Strategic Municipal Battery Network. The planning ambition is up to 200 MW of power capacity and 800 MWh of energy storage by 2030.

The programme must be phased according to grid studies, procurement conditions, technology costs and available finance. Batteries should be located strategically rather than simply wherever land is available. Priority locations should include substations, municipal facilities, renewable-energy sites and areas where peak demand places pressure on the network.

The objective is to reduce peak purchases, improve resilience, absorb excess renewable generation and create greater flexibility across the City's electricity system.

10 A Cape Town Virtual Power Plant

Cape Town should not think of a power station only as a large physical facility. Thousands of small batteries can collectively function as a power station.

The SDP proposes a Cape Town Virtual Power Plant. The VPP would aggregate participating household batteries, township solar systems, SMME batteries, municipal batteries, commercial solar systems and other eligible distributed energy resources.

The initial planning target is 250 MW of managed distributed capacity by 2031. Participation should be voluntary. Households should retain a defined reserve of stored electricity for their own needs. Participants who make capacity available to the system should receive a transparent financial or electricity-credit benefit.

The VPP would turn ordinary electricity consumers into participants in the energy system.

PART FOUR

Townships and the Green Energy Revolution

11 Townships and the Green Energy Revolution

This is one of the most important elements of the SDP's energy policy. Cape Town cannot have a successful green-energy transition that leaves townships behind.

The conventional approach sees townships as electricity customers. The SDP sees townships as energy assets. A township can contain thousands of rooftops, thousands of small businesses, schools, clinics, community facilities and potential battery locations. Collectively, these represent a significant distributed energy resource.

The SDP therefore proposes the creation of Township Energy Zones. Initial planning should examine areas including Khayelitsha, Delft, Gugulethu, Nyanga, Philippi, Mfuleni, Langa, Manenberg and Bonteheuwel. The final boundaries should be determined through technical mapping rather than political preference.

12 Township Home Energy Systems

The SDP proposes a Township Home Energy Kit for suitable formal households. A typical system could comprise:

- 1 to 2.5 kW solar PV
- 3 to 5 kWh lithium iron phosphate battery storage
- Smart inverter
- Smart prepaid meter
- Remote monitoring

The objective is not necessarily to disconnect households from the grid. The objective is to reduce the amount of electricity households need to buy from the grid. Solar can provide daytime energy. Battery storage can provide evening energy. The grid remains available when required. This creates a more resilient household without requiring residents to purchase an entire system upfront.

13 Solar-as-a-Service

The biggest barrier to household solar is often not the technology. It is the upfront cost.

The SDP therefore proposes a municipal Solar-as-a-Service framework. Competitive providers could install approved systems at participating households. The household would pay a predictable monthly amount rather than purchasing the equipment outright.

The commercial model must be designed so that the combined cost of grid electricity and the solar service is demonstrably lower or more stable than the previous electricity cost under defined usage assumptions.

The City would establish minimum standards for equipment, installation, warranties, maintenance, insurance, cybersecurity and consumer protection. Multiple providers should compete. The City should not attempt to become the owner and operator of every household solar system.

14 Learning from iShack

Cape Town already has important local experience with decentralised energy. The iShack model demonstrated how small-scale solar systems can provide basic energy services in informal settlements where conventional grid electrification is not immediately feasible.

The SDP believes the lesson is broader than the technology itself. Energy can be delivered as a service. Community agents can play a role. Local maintenance capacity matters. Residents can become participants rather than passive recipients. The model should therefore be adapted rather than simply copied.

Formal township households should generally remain connected to the grid where a lawful grid connection exists. Informal settlements should receive appropriately designed community energy solutions where conventional electrification is not immediately feasible.

Every system must comply with applicable electrical safety and regulatory requirements.

15 Learning from Wetility

The SDP also sees value in the township-focused lessons emerging from private-sector models such as Wetility. Township energy systems face particular challenges. These include theft, vandalism, limited access to finance, unstable structures and irregular income.

The answer is not to abandon the technology. The answer is to design the technology for the environment.

The SDP proposes theft-resistant equipment standards covering:

- Tamper-resistant battery enclosures
- Remote monitoring
- Asset tracking
- Secure mounting
- Smart isolation
- Approved inverters
- Fire protection
- Insurance requirements
- Rapid maintenance
- Community reporting

The City should establish these standards through procurement and service contracts. The public sector should set the rules while allowing competent private providers to compete.

16 Community Energy Hubs

Not every energy problem should be solved household by household. The SDP proposes Community Energy Hubs in selected areas. A hub could combine solar generation, battery storage, public lighting, Wi-Fi, phone charging, refrigeration, business charging, emergency communications, security lighting and water pumping where appropriate.

The hub becomes a piece of economic infrastructure. It can provide energy when the grid is unavailable. It can also support local businesses and community services. The objective is to turn energy infrastructure into an economic development platform.

17 Power to Earn: Township SMMEs

Small businesses are particularly vulnerable to electricity costs and interruptions. A barber cannot operate without electricity. A salon cannot operate without electricity. A spaza shop with refrigeration cannot operate effectively without electricity. A bakery, laundromat, mechanic, internet café or welding business faces the same problem.

The SDP therefore proposes the expansion of the Power to Earn programme. Eligible SMMEs could receive or finance systems in the region of 2 to 5 kW solar PV, 5 to 10 kWh battery storage, a smart inverter, smart metering and energy-efficient equipment.

The programme should operate through bulk procurement and Pay-As-You-Save financing. Repayments should recycle into additional installations. The objective is not simply cheaper electricity. The objective is cheaper electricity that enables people to earn.

18 The Township Energy Bank

The SDP proposes establishing a Township Energy Bank as a financing mechanism rather than necessarily as a new standalone municipal entity. Capital could be assembled from municipal funding, development finance, climate finance, private investment, concessionary funding, green finance instruments and appropriate national programmes.

That capital would finance energy systems. Household and business repayments would then recycle capital into further installations. This creates a revolving energy investment model.

The principle is simple. Use public capital to unlock private investment, reduce energy costs and create a growing local energy asset base.

19 Green Energy Jobs

The energy transition must create jobs in the communities where the systems are installed. The SDP proposes a Green Energy Skills Corps. Training should focus on solar installation, electrical work, battery maintenance, smart metering, energy auditing, equipment maintenance, VPP operations, customer support, energy efficiency and community energy management.

Local contractors should be prioritised where they meet required technical standards. Township residents should not merely watch external companies install equipment in their communities. They should become the people installing, maintaining and managing the systems.

20 Managing Electricity Theft and Infrastructure Vandalism

Electricity theft is both a financial problem and an infrastructure problem. The City reported approximately R62 million in electricity infrastructure maintenance and replacement costs associated with theft and vandalism in the 2024/25 financial year.

The SDP believes anti-theft design must become part of energy policy. Every new distributed energy programme should include tamper-resistant equipment, remote monitoring, automated fault alerts, secure equipment locations, asset registration, community reporting, rapid response maintenance and data-driven theft hotspot mapping.

The objective is to make theft harder, detection faster and replacement less frequent. Technology alone will not solve infrastructure crime. Community ownership must form part of the solution.

Trading, Growth and Steenbras

21 Trade Smarter: Expanding Wheeling

Cape Town has already established a framework for electricity wheeling. The City's bilateral wheeling arrangements allow electricity from third-party generators to be transported through the municipal network to participating customers. The City's framework applies to eligible medium and high-voltage customers and generators.

This is already moving. The City has run an operating wheeling pilot since mid-2024, and has since introduced pooled wheeling, which lets multiple generators and offtakers net against each other across a portfolio rather than requiring a one-to-one contract for every pair. The City's stated ambition is for wheeling to contribute up to 350 MW towards a long-term goal of up to 1 GW of independent power flowing through its network.

The SDP supports expanding this proven approach further. Wheeling allows Cape Town to become an energy marketplace rather than simply a passive distributor. The City should make it easier for eligible businesses to secure cheaper renewable electricity, and should also investigate how the benefits of distributed generation can progressively be extended beyond large commercial consumers.

The objective is a more competitive electricity market operating through the City's network, building on momentum that already exists rather than starting from zero.

22 Large Energy Users Must Pay Their Fair Share

Cape Town is becoming increasingly attractive for data centres and other electricity-intensive industries. These investments can bring jobs, capital and economic activity. They can also create major electricity and network requirements.

The SDP therefore proposes a Power Your Growth policy for major new electricity loads. A major new load should be subject to an Energy and Network Impact Assessment. The policy should be tiered according to connection size rather than applying a single blunt threshold. Requirements should become progressively stronger for larger loads.

Potential requirements include developer-funded network upgrades, demand-response capability, battery storage, peak-shaving commitments, renewable energy procurement, wheeling arrangements, energy efficiency and transparent network impact costs.

The principle is straightforward. A major new electricity consumer should not transfer the cost of its growth onto ordinary households.

23 Steenbras: Cape Town's Battery from Another Era

Cape Town already owns an extraordinary energy asset, and it is the one asset in this policy that does not need to be described in ranges. The Steenbras Pumped Storage Scheme, commissioned in 1979, provides 180 MW of nameplate generating capacity from four 45 MW turbines, operating across a hydraulic head of 275 metres between its upper and lower dams. It generates roughly 250 GWh a year, pumping water uphill overnight during off-peak hours and releasing it through the turbines at peak demand, currently providing protection equivalent to one to two stages of load-shedding.

The City has already committed real money to keeping this asset current: a refurbishment and extension envelope of approximately R1.2 billion across roughly nine years, including a specific R107 million, 108-month professional-services contract covering the engineering and project management of the refurbishment programme. These figures should be reconfirmed against the City's current budget before being quoted publicly, but as a floor, this is appropriated funding, not a future ask.

The SDP proposes a modernisation programme focused on turbine refurbishment, control-system upgrades, reservoir monitoring, pumping optimisation, integration with renewable generation and extended operating life, building on that existing commitment.

The City should also conduct an engineering feasibility study into potential uprating. That study needs to cost reservoir expansion, not only turbine and control-system work: Steenbras's daily output is capped by the size of its lower reservoir, which the station drains and refills every day, not by the turbines alone, so a study that prices turbine upgrades without addressing reservoir capacity will understate what uprating actually requires.

Steenbras should become a central component of Cape Town's future renewable-energy system. Solar generation can charge the system. Steenbras can discharge during periods of high demand. The relationship between renewable generation, batteries and pumped storage should be managed as one integrated portfolio, with the City's own stated ambition of extending Steenbras's load-shedding protection up to four stages as the programme matures.

24 Energy Efficiency is the Cheapest Power Station

The cheapest electricity is often electricity that does not need to be purchased. The SDP proposes a citywide energy-efficiency programme covering municipal buildings, public facilities and participating households.

Priority measures should include LED lighting, efficient motors, efficient pumps, building management systems, solar water heating where appropriate, efficient refrigeration, smart metering and peak-demand management.

The City should establish measurable energy-efficiency targets for its own operations. Every municipal facility should know how much electricity it consumes, when it consumes it and where savings can be achieved.

Funding, Performance and the Bigger Vision

25 The Affordable Electricity Funding Model

The SDP does not propose pretending that major infrastructure can be built without money. The City must use its balance sheet intelligently.

Funding mechanisms should include municipal capital expenditure, long-term power purchase agreements, public-private partnerships where appropriate, development finance, green finance, climate finance, carbon-credit revenues, revolving funds, private investment and energy-service contracts.

The City should prioritise projects according to their ability to reduce the long-term cost of electricity. The key financial question should be: what does this investment save the City and its residents over its lifetime?

26 Indicative Five-Year Targets

The following targets are proposed as planning ambitions. They must be subjected to technical feasibility studies, procurement processes, regulatory requirements and annual budget approval.

Programme	Target	Purpose / Funding
WHERP	Pilot of 5,000–10,000 households; citywide target set from pilot results	Electricity affordability relief, funded from verified Fund savings (Section 5)
Township Household Energy	25,000–40,000 households by 2030; 75,000–120,000 by 2035	Subsidised or financed solar and storage
Township SMME Energy	10,000 businesses by 2030; 25,000 by 2035	Power to Earn expansion, subject to pilot validation
Community Energy Hubs	100 hubs by 2030; 500 by 2035	Economic development platforms, subject to pilot validation

Programme	Target	Purpose / Funding
Municipal Solar	Up to 100 MW by 2031	Solarise the City
Strategic Battery Storage	Up to 200 MW / 800 MWh by 2030	Peak reduction and resilience
Virtual Power Plant	Up to 250 MW managed distributed capacity by 2031	Aggregated household and SMME batteries
Green Energy Skills Corps	At least 1,000 trained local technicians by 2030	Local installation and maintenance capacity

Methodology Note

The township household energy target is reset against the most directly comparable South African precedent: the iShack model took roughly thirteen years to reach around 3,000 households across ten communities nationally. Even a well-financed municipal programme reaching 25,000 to 40,000 households by 2030 would represent, by a wide margin, the largest township distributed-energy programme in the country's history. The SMME and Community Energy Hub targets carry the same risk of being set ahead of any comparable precedent, and should be validated against their own pilots (Phases Five and Six, Section 27) before being locked in as five-year commitments.

These targets should be reviewed annually. No target should become an excuse for wasteful procurement. The objective is value for money, measurable savings and service delivery.

27 Year One Implementation Plan

The first year should concentrate on building the foundations.

01 City Energy Audit

Audit municipal buildings, infrastructure, electricity consumption and suitable renewable-energy sites.

02 Township Energy Mapping

Map households, SMMEs, public buildings, informal settlements, substations, theft hotspots and suitable solar locations.

03 Procurement Reform

Establish standard specifications for solar, batteries, smart meters, monitoring and theft-resistant equipment.

04 Household Pilot

Launch a controlled Solar-as-a-Service pilot in selected township communities.

05 SMME Pilot

Launch Power to Earn with an initial cohort of township businesses.

06 Community Energy Hubs

Develop the first community energy hubs in areas with clear energy and economic need.

07 Municipal Solar

Begin installation on suitable municipal buildings and infrastructure.

08 Battery Pilot

Commission an initial municipal battery project following grid and financial feasibility work.

09 VPP Design

Establish the technical, commercial and regulatory architecture for the Cape Town VPP.

10 Affordable Electricity Fund

Establish the transparent reporting and budget framework for verified electricity savings.

28 Indicative Budgeting Principles

The SDP will not make false promises by presenting speculative infrastructure prices as guaranteed costs. Technology prices change rapidly. Interest rates change. Grid connection costs vary by location.

The final cost of each project depends upon engineering design, procurement conditions, land requirements, network upgrades and financing. The policy therefore proposes budget ranges at the feasibility stage rather than unsupported fixed numbers.

Every major project should have a capital cost, operating cost, expected annual generation, expected annual saving, expected lifecycle, financing cost, maintenance cost, grid impact, carbon benefit, payback period and risk assessment.

Council should approve projects on evidence rather than political enthusiasm.

29 A New Performance Contract with Residents

The SDP believes electricity policy must be measurable. Residents should not be asked to trust politicians when the numbers can be published.

The City should publish an annual Energy Performance Dashboard covering average electricity procurement cost, Eskom electricity purchased, independent power purchased, municipal generation, renewable generation, battery capacity, VPP capacity, wheeled electricity, peak demand reduction, electricity theft losses, infrastructure vandalism costs, household electricity relief, SMMEs supported, township households supported, jobs created, verified financial savings and savings returned to residents.

Every major commitment should have a baseline, a target and a responsible department. Failure to meet a target should trigger an explanation. Success should be measurable.

30 The SDP Energy Principle

The SDP does not believe that Cape Town should choose between economic growth and affordability. The City can pursue both.

Renewable energy can attract investment. Battery storage can improve resilience. Wheeling can increase competition. Municipal generation can reduce exposure to Eskom. Energy efficiency can lower costs. Township energy can create businesses. A virtual power plant can turn consumers into energy participants.

The green transition can become an economic transition. The energy revolution can become a jobs revolution.

31 The Bigger Vision

Cape Town should aim to become Africa's leading intelligent energy city. That does not mean attempting to generate every unit of electricity itself. It means having the intelligence and infrastructure to source electricity from the cheapest appropriate source at the right time.

It means combining Eskom, independent producers, municipal generation, solar rooftops, batteries, pumped storage, wheeling and demand management into one coordinated system. It means using data to understand where electricity is generated, where it is needed and when it is most expensive. It means rewarding households and businesses that help the system. It means protecting those who cannot afford to invest. It means ensuring that large new electricity users contribute fairly to the infrastructure they require.

Most importantly, it means ending the assumption that poor communities must remain passive consumers of an expensive electricity system.

32 The SDP's Five Commitments

The entire policy can be reduced to five commitments.

1 Buy Cheaper

Use competitive procurement to reduce Cape Town's dependence on expensive bulk electricity.

2 Generate Cheaper

Build municipal renewable generation on suitable public assets.

3 Store Cheaper

Develop batteries, Steenbras and distributed storage to reduce peak costs and improve resilience.

4 Trade Smarter

Expand wheeling, energy trading and the City's role as an intelligent energy marketplace.

5 Share the Savings

Use verified system savings to make electricity more affordable for households, townships and SMMs.

CONCLUSION

A City That Serves Its People

Cape Town does not need to wait for Eskom to solve its electricity problem. The City already has many of the tools required to begin changing the system. It has a municipal electricity network. It has Steenbras. It has public land and buildings. It has a growing renewable-energy market. It has an emerging wheeling framework. It now has proof that independent power can be procured below Eskom rates.

The next step is to connect these pieces into a coherent municipal energy strategy.

The SDP's ambition is therefore not simply to make electricity cheaper. It is to change who benefits from Cape Town's energy transition.

The wealthiest households should not be the only people who can own solar panels. Township businesses should not be left waiting for the next Eskom increase. Working families should not have to choose between electricity and food. Young people should not watch the green economy develop without them.

The City should use its purchasing power to buy cheaper. It should use its assets to generate cheaper. It should use batteries and Steenbras to store smarter. It should use its network to trade smarter. It should use technology to manage demand. It should use verified savings to reduce the burden on residents.

Above all, Cape Town should treat electricity as an instrument of economic opportunity rather than merely another municipal bill. The green-energy revolution must belong to everyone. A floor of dignity for every Capetonian requires affordable energy.

*Cheaper electricity. Smarter energy. More opportunity.
A city that serves its people.*