



NOTICE OF PUBLICATION OF THE DRAFT MARKET INQUIRY REPORT ON THE IMPACT OF FIXED AND GENERATION CAPACITY CHARGES LEVIED BY ELECTRICITY DISTRIBUTORS FOR STAKEHOLDER INPUTS AND COMMENTS

The National Energy Regulator of South Africa (NERSA) is a regulatory authority established as a juristic person in terms of section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004). NERSA's mandate is to regulate the electricity, piped-gas and petroleum pipelines industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), the Gas Act, 2001 (Act No. 48 of 2001) and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

On 25 September 2025, NERSA initiated a market inquiry ('the inquiry') into the impact of fixed charges, the generation capacity charge (GCC) and other related charges levied by electricity distributors, including Eskom and municipalities. The inquiry was undertaken following concerns raised by customers and stakeholders regarding electricity affordability, tariff transparency, cost reflectivity and the impact of tariff restructuring on different customer categories.

Following the completion of the assessment process, NERSA has published the draft market inquiry report on the impact of fixed and generation capacity charges levied by electricity distributors for stakeholder input and comments.

The draft report sets out the inquiry's findings, observations and proposed recommendations relating to tariff design, customer impacts, revenue recovery, competition considerations, municipal implementation matters and broader electricity market reform implications.

The draft report and the consultation document have been published on the NERSA website at www.nersa.org.za, under 'Select Industry > Electricity > Consultation > Documents'.

NERSA invites members of the public, electricity customers, municipalities, Eskom, industry associations, organised businesses, consumer groups and other interested stakeholders to submit written comments on the draft report. Stakeholders are encouraged to provide their views on the approach followed in conducting the inquiry, the findings reached and the recommendations proposed.

Written submissions must be submitted to electricity.marketinginquiry@nersa.org.za by **27 July 2026**.

For more information or queries, please contact Ms Phumla Botha at 012 401 4660.

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