CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

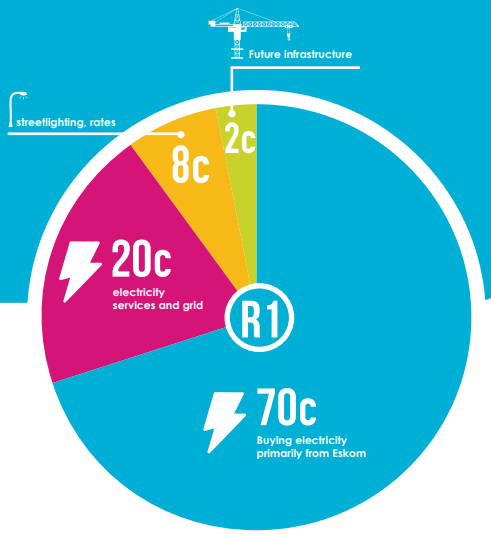
# ALL YOU NEED TO KNOW ABOUT CITY ELECTRICITY TARIFFS

***2026/2027 Financial Year***

## PROTECTION FROM ESKOM INCREASES

- The City limited Eskom's national 9,01% increase to 6,64% in Cape Town on average.
- Every cent paid by customers is invested directly back into electricity service delivery.
- The main driver of electricity price increases has been Eskom's annual hikes of more than 900% over the last twenty years.
- 70% of electricity tariff income goes to buying bulk energy from Eskom, 20% goes to providing electricity services and working grid infrastructure, 8% goes to streetlighting and shared services, and 2% is invested for future infrastructure needs.
- The City is working to diversify its power supply sources by buying more affordable power on the open market over time, helping to protect residents by reducing exposure to future Eskom price volatility.
- The first power purchase agreements are already in place under an initial 200MW procurement phase. This power will be up to 21% cheaper than Eskom over the next 20 years. **Cape Town is the first South African city to start reducing Eskom reliance by buying power on the open market as the metro works to secure more affordable power sources for Capetonians.**
- 95% of unplanned electricity outages are resolved within 24 hours in City-supply areas

## EVERY RAND GOES BACK TO SERVICE DELIVERY




## RESIDENTIAL TARIFFS CATEGORIES

### DOMESTIC AND HOME USER TARIFFS

**Who qualifies?**
Domestic Tariff: R500 001 – R1 million municipal property valuation.
Home User: Over R1 million municipal property valuation.

**Domestic fixed charges – how it works**
A monthly Service and Wires charge of R74,77 (incl. VAT) is recovered via electricity purchases, at a Daily rate of R2,46 (incl. VAT) per day since the previous purchase.

With each electricity purchase, customers pay for the number of days since the last purchase.

**Home User fixed charges – how it works**
- A monthly Service and Wires charge of R424,30 (incl. VAT) is recovered via the monthly municipal account.

| Domestic Tariff (incl. VAT) | | Home User Tariff (incl. VAT) | |
|---|---|---|---|
| **Energy Block 1 (Up to 600 Units)** | R4,14/kWh | **Energy Block 1 (Up to 600 Units)** | R3,56/kWh |
| **Energy Block 2 (Over 600 Units)** | R4,94/kWh | **Energy Block 2 (Over 600 Units)** | R4,69/kWh |
| **Service and Wires Charge: recovered as a daily charge.** *(Monthly: R74,77)* | R2,46 per day | **Service and Wires Charge: recovered in full via the monthly municipal account.** | R424,30 per month |
| **Cost at 400 units received inclusive of fixed charges applicable per tariff category and inclusive of VAT.** | R1 729,93 | **Cost at 400 units received inclusive of fixed charges applicable per tariff category and inclusive of VAT.** | R1 848,10 |

**Never buy in bulk**
To get the cheaper Block 1 rate, don't buy more than 600 units total in a single calendar month. Buying in bulk could push you into Block 2 with a higher per unit cost.

## WHY A FIXED CHARGE?

Fixed charges provide stable revenue to invest in reliable electricity grid infrastructure and the fixed costs of services – all revenue goes directly back to service delivery and infrastructure.

Electricity tariffs are made up of two parts – a fixed "Service and Wires" charge, and a electricity consumption cost per unit. Together this makes up one tariff.

A fixed charge is not an additional charge: per unit consumption costs less because of it. Without a fixed charge, electricity per unit charges would higher and the City would not have stable revenue to invest in a reliable electricity grid to supply residents.

Long-term electricity grid investments cannot depend only on unreliable consumption-based revenue, which can fluctuate especially as more Capetonians opt for solar power sources. This is why electricity tariffs in most cities in South Africa and globally include a fixed charge. This is also in line with the National Treasury tariff reforms process that first started about eight years ago.

**My solar generates all my power, why should I pay a fixed charge?**
A fixed charge ensures all customers make a contribution to electricity grid infrastructure, which must be available to all Capetonians at all times, regardless if most or all of your power comes from a home solar system. A great benefit for those with solar, is you can sell your excess power back to the City via the same electricity grid infrastructure maintained by fixed charges revenue.

## LIFELINE TARIFF

Customers can qualify for the Lifeline tariff if they have a prepayment meter and municipal property valuation of R500 000 or less (or monthly household income of R7 500 or less). Monthly unit purchases must be less than 450 kWh per month on average over 12 consecutive months to stay on lifeline.

Pensioners and social grant recipients can qualify for Lifeline electricity with up to R27 000 monthly household income, regardless of property value, by far the widest qualifying criteria of any city. Following the legally required General Valuation 2025 that all municipalities must undertake, some property values have been adjusted up or down and it impacts the electricity tariff category. As a result of the General Valuation some customers have been impacted by a change in their property value and thus electricity tariff.

- Lifeline = Property Value of R500 000 and less.
- Domestic = Property Value of over R500 000 and under R1 million
- Home user= Property Value of over R1million

| Lifeline 1 Tariff (incl. VAT) | | |
|---|---|---|
| 0 – 250 units (includes 60 free units) | R2,83/ kWh | No Service and wires charge |
| **Lifeline 2 Tariff (incl. VAT)** | | |
| >250 units – 450 units (includes 25) | R2,83/ kWh | No Service and wires charge |

**Please note: To stay on Lifeline 1:** Consumption less than 250 units per month on average over 12 months. Under this lifeline block, customers are eligible to access 60 kWh Free Basic Electricity units as an added relief measure.

If you consume more over 12-months, you move to Lifeline 2.

**Please note: To stay on Lifeline 2:** Consumption less than 450 units per month on average over 12 months. Customers under the second block are eligible for 25 kWh) Free Basic Electricity units.

If you consume more than 450 units per month on average over 12 months, you move to Domestic or Home User, whichever is applicable.

**Customers on the Lifeline tariff pay a flat consumption rate of R2,83 VAT inclusive whether they are on block 1 or 2.**

Pensioners who qualify for a rates rebate and indigent relief receive municipal services relief for three years before needing to reapply. Qualifying non-pensioner residents, however, are required to reapply on an annual basis.

**Please note:** this applies only to City-supplied customers and not to Eskom-supplied customers.

**For pensioner rebates:**
Visit a City walk-in centre or send an email to **rates.rebate@capetown.gov.za** to apply for pensioner rebates before 30 November 2026.

**For indigent relief:**
Customers have the option of downloading the application forms from the City's website and submitting them back to the City, visit a City walk-in centre or send an email to **indigent.relief@capetown.gov.za**

**NOTE:** The application form for pensioner rates rebates and indigent relief is available on the City's website. Residents who meet the qualifying criteria are encouraged to apply by downloading the form online and submitting the completed application to the City. A single application form is used for both benefits, with dedicated sections covering rates rebates and indigent relief.

## INTRODUCING THE RESIDENTIAL TIME OF USE TARIFF FOR THOSE WITH AMI METERS

The Residential Time-of-Use (TOU) tariff is one of the latest ways the City is putting power in the hands of our customers. This new tariff option offers greater flexibility by enabling households to manage their electricity costs, shifting electricity usage to lower cost off-peak periods of the day. This tariff may suit customers who can move higher-usage activities to cheaper periods. Electric vehicle owners can benefit by charging during off-peak periods, while customers with solar PV and battery storage systems can optimise when electricity is used or stored to minimise consumption during higher-cost peak periods.

| Period | Hours |
|---|---|
| Peak - higher cost | Weekdays 07:00 - 09:00 and 18:00-21:00 |
| Standard - moderate cost | Weekdays 06:00-07:00, 09:00 -18:00 and 21:00 - 22:00 |
| | Saturdays 07:00-12:00 and 18:00-20:00 |
| | Sundays 18:00-20:00 |
| Off-peak - lower cost | All remaining hours including overnight periods |

| NEW: Residential Time of Use Tariff | |
|---|---|
| **Energy charge: High demand (June to August) incl. VAT** | |
| Peak | R8,98 |
| Standard | R3,69 |
| Off peak | R3,01 |
| **Energy charge: Low demand (September to May) incl. VAT** | |
| Peak | R4,19 |
| Standard | R3,56 |
| Off Peak | R3,01 |

### CRITERIA

- Residential customers with an AMI meter are not moved to this tariff automatically.
- A written request must be made. Customers are to visit a walk-in centre, or request to be placed on the TOU tariff in writing to: **electricitycustomer.support@capetown.gov.za**
- If an AMI meter is not yet installed, the standard application process applies, and the customer is responsible for the cost. They may send a query to: **ElectricityApplication.Queries@capetown.gov.za**
- There is no free basic electricity allocation on this tariff.
- Customers on this tariff will pay the published Residential TOU charges, as well as the applicable Residential AMI Administration Fee.
- This tariff is available to residential customers with or without Small-Scale Embedded Generation (SSEG), provided the AMI metering requirement is met.

## THANK YOU

Thank you for your support and payments.

Be assured that every rand goes straight back into delivering a reliable electricity service.