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PRESS RELEASE

FREQUENTLY ASKED QUESTIONS ON ELECTRICITY TARIFF INCREASE

1. How much more will I pay on my domestic consumption this time compared to the previous tariff?

- For domestic customers, there are users consuming up to 200kWh and those consuming more than 200kWh. These two have different tariff imposed depending on the rate of consumption. The tariff for consumers using up to 200kWh is the lowest.
- Assuming that a domestic customer uses 150kWh of electricity, the new energy charge will be P140.76 compared to P115.38 previously, an increase of P25.38 on the customer's energy bill.
- Assuming that a domestic customer uses 300kWh of electricity, the new energy charge will be P390.96 compared to P320.46 previously, an increase of P70.50 on the customer's energy bill.

2. Is the tariff increase intended to mitigate Morupule B production shortfalls?

- No. Every utility undergoes tariff increase to cover operational costs which are affected by price increases due to inflation, which is the case with BPC.



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3. Is the increase in tariff the same for both rural and urban areas?

- Yes, the increase is the same across the country.

4. Why are you increasing the tariff while there are issues of Corona Virus that have affected the economy? Would this not further cause a strain on the Valued Customers?

- The decision to increase the tariff is independent of the current pandemic of Corona Virus, as the tariff increase is to enable the Botswana Power Corporation to carry out its mandate to continue providing sustainable electricity services to its Valued Customers. Any increase, at any time can be seen to be putting a strain on the customer, but it must be appreciated that a tariff increase is necessary to cover growing operational costs as a result of inflation.

5. Will the tariff increase prevent the country from experiencing load shedding?

- The tariff increase is a financial decision to support operational costs of Botswana Power Corporation. The continuous increase in the tariff will minimise the chances for load shedding as operational efficiency would have been achieved. However, insufficient supply may lead to consideration of load shedding. In some instances, the need to import power at exorbitant costs to mitigate shortage of supply may surface, and if not affordable, load shedding can be the ultimatum which BPC may be able to avoid following the tariff increase.

6. Is the tariff increase due to Eskom power generation supply constraints?

- No, the tariff increase is not a result of Eskom power generation supply constraints. The tariff increase is to cover operational costs that increase annually due to inflation.

7. Would it not be a better option to fast track implementation of renewable energy as opposed to increasing the tariff?

- The Government, through Botswana Power Corporation as the implementer, is currently making progress in diversifying power generation sources amongst them being Photovoltaic solutions e.g. 100MW, 12 Solar Grid Tied as well as developing Rooftop Solar that will create an opportunity for the customer to self-generate and feed into the national grid. This means that within the next two (2) years, the country will have over 130 MW of renewables. It is worth noting that renewables will not result in reduced tariff as they are more expensive compared to coal.

For further enquiry contact Mr. Moreri Moesi on 3656698 or mmoesi@gov.bw