



NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

**NEDLAC CERTIFICATE
IN RESPECT OF THE CONGRESS OF SOUTH AFRICAN TRADE UNIONS SECTION 77
1(B) NOTICE ON RENEWABLE ENERGY AND CLOSURE OF COAL MINES**

1. INTRODUCTION

- 1.1. NEDLAC received a notice, dated 21 June 2017, in terms of Section 77 (1) (b) of the Labour Relations Act 66 of 1995, from the Congress of South African Trade Unions (Cosatu).
- 1.2. The notice outlined Applicant's demands in respect of Renewable Energy and Closure of Coal Mines.
- 1.3. It cited the following as its Respondents:
 - 1.3.1. Department of Arts and Culture
 - 1.3.2. Department of Basic Education
 - 1.3.3. Department of Police
 - 1.3.4. Department of Communications
 - 1.3.5. Department of Cooperative Governance & Traditional Affairs
 - 1.3.6. Department of Justice and Correctional Services
 - 1.3.7. Department of Defence and Military Veterans
 - 1.3.8. Department of Energy
 - 1.3.9. Department of Environmental affairs
 - 1.3.10. Department of Health
 - 1.3.11. Department of Higher Education & Training

- 1.3.12. Department of Home Affairs
- 1.3.13. Department of Human Settlement
- 1.3.14. Department of International Relations & Cooperation
- 1.3.15. Department of Planning, Monitoring & Evaluation
- 1.3.16. Department of Public Service & Administration
- 1.3.17. Department of Public Works
- 1.3.18. Department of Rural Development & Land Reform
- 1.3.19. Department of Science & Technology
- 1.3.20. Department of Small Business Development
- 1.3.21. Department of Social Development
- 1.3.22. Department of Telecommunications and Postal Services
- 1.3.23. Department of Tourism
- 1.3.24. Department of Water & Sanitation
- 1.3.25. Department of Mineral Resources
- 1.3.26. Department of Women in the Presidency
- 1.3.27. Business Unity South Africa
- 1.3.28. Black Business Council

2. PROCESS AT NEDLAC

2.1. The Section 77 Standing Committee convened meetings with the Applicant and Respondents on the following dates:

- 2.1.1. 14 July 2017
- 2.1.2. 28 July 2017
- 2.1.3. 15 August 2017
- 2.1.4. 06 September 2017

2.2. Summary of engagements:

- 2.2.1. A meeting was scheduled for 14 July 2017; however, it had to be postponed as there was no quorum to consider the matter. It was agreed therefore that a meeting should be held on 28 July 2017,

2.2.2. At the meeting held 28 July 2017:

2.2.2.1. The Applicant:

- a) Unpacked its demands and stated that the Respondents should suspend all Independent Power Producer's (IPP) contracts. It further stated that the procurement of renewable energies in the form of IPP's will result in back-door privatisation, resulting in increases in electricity pricing and a resultant negative impact on the poor and working class.
- b) This challenge will exacerbate the unemployment crisis. There was no certainty about existing jobs in the renewable sector compared to the jobs that are envisaged to be created.
- c) The Energy policy must be consistent with South African needs and challenges i.e. triple challenge of unemployment, poverty and inequality.
- d) The current IPP signed contracts must include cooperatives as they are often neglected.
- e) The inclusion of the renewable energy tariff must be rejected in order to protect those who cannot afford electricity.

2.2.2.2. The Respondent stated:

- a) It was guided by the Energy White Paper of 1999.
- b) The energy mix, when introduced, will create employment in the area where the project is undertaken.

- c) It was therefore agreed that the Respondents, led by the Department of Energy will prepare a comprehensive presentation in response to the issues raised by the Applicant, and present at the next meeting.

2.2.3. At the meeting of 15 August 2017

2.2.3.1. The Respondents presented, led by the Department of Energy, focusing on the socio-economic benefits that are derived from the IPP projects that were rolled out.

2.2.3.2. The Applicant however, stated that the presentations made by the Respondents did not meet its demands, therefore the matter should be deemed considered.

2.2.3.3. The Standing Committee therefore agreed that a next meeting should focus on unpacking and responding to the demands and attempt to find a resolution.

2.2.4. At the meeting of 06 September 2017:

2.2.4.1. The meeting went through demands and responses thereto, on a line by line basis.

2.2.4.2. The Respondent stated that it was obliged to honour the contracts that were already signed with regards to the IPP. Termination at this stage would be unlawful.

2.2.4.3. The Applicant reiterated that its demands were not adequately addressed by the Respondent and therefore requested the Standing Committee to deem as having been considered as it was not resolvable.

2.2.4.4. The Standing Committee however, stated that most of the demands raised by the Applicant were being addressed by the

Respondent, while the remaining demands had legal implications.

2.2.4.5. The Standing Committee further noted that the Respondents had not responded to the demand for Eskom to not enter into any new contracts. The Standing Committee therefore advised the Respondents to consult their principals in order to provide a response on this demand.

2.2.4.6. The response was received on 12 September 2017. This response did not sufficiently address the Applicant's demand.

3. DECLARATION

Given these circumstances, the Standing Committee declared that the demand raised by Cosatu could not be resolved. The Standing Committee subsequently deemed this Section 77 (1) (b) Notice by Cosatu as having been considered. Any protest action arising from this matter will be protected.

Signed at ROSEBANK on this 15TH day of SEPTEMBER 2017.



MADODA VILAKAZI
EXECUTIVE DIRECTOR

