



The leading electricity provider

**Erongo Regional Electricity Distributor Company (Pty) Ltd**  
**(Reg. No. 2004/074)**

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## **THE FUTURE OF ELECTRICITY SUPPLY WITH REDS**

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Gone are the days and threats of towns being disconnected from the national electricity network due to non-payment by local authorities in the Erongo Region.

Thanks to the establishment of Erongo RED these are events of the past. REDs have been asked to start supporting the regional councils with the distribution and supply of electricity to rural customers throughout the rest of the country.

Furthermore some local authorities are also in discussion with REDs to help them get the electricity distribution and supply business under proper control and management.

Yes, electricity costs are increasing in the whole SADC region, of which Namibia is a member, due to various reasons.

At the local level it has caused an awareness and understanding of at least the following components of the Electricity Supply Industry (ESI):

- Cost reflective tariffs, the cover, the true cost of distribution and supply
- Development of expertise in the intricacies of electricity distribution technologies, that have had many changes in the last 20 years.
- Development of tariff structures in line with the needs of customers.
- Huge investment in infrastructure for maintenance and refurbishment.
- Investment in infrastructure to adapt to the ever-increasing demand for electricity in the region especially the bulk upgrades to not only the three coastal towns of Walvis Bay, Swakopmund and Henties Bay costing around N\$300 million, but also to the towns of Uis, Omaruru, Karibib, Usakos, Arandis, the Swakop River Plots and Central Namib Water Supply Network.

Because provision is made for these infrastructure investments in the electricity tariffs, the future supply of electricity to customers in the Erongo Region is ensured.

Co-operation of financial institutions and approval by Shareholders is now of utmost importance to get these major investments or projects started for the future benefit of the whole region.

The advantage of economies of scale of the RED is that the load is spread across all customers in the Region. In so doing the impact on electricity tariffs is minimised as much as possible.

Developments have progressed to the point where local residents and larger developers who generate their own electricity can now supply their excess electricity into the electricity grid. This can assist national utilities, like NamPower, to address the shortage of electricity currently experienced in the SADC Region.

Generation of electricity can be done as embedded generation into the local RED network, or as large scale generation straight into the national grid of NamPower.

Generation of electricity from renewable sources include wind, solar photo voltaic (solar panels), solar thermal (consolidated solar power), biomass, waste incineration (from local authority waste deposit sites), invader bush to energy (to assist farmers to increase the productivity of farmland).

Generation of electricity from renewable sources has at least the following benefits:

- Innovation and development of technologies
- Job creation
- Expansion of new job types
- Expansion of financial services to the Electricity Supply Industry (ESI)
- Sustainability improvement of the Namibian economy
- Reduction of the future cost of electricity.

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