



ENERGY SECTOR CREDENTIALS

Competition and
Regulation Practice

Africa's largest economics-based consultancy

G:ENESIS
UNLOCKING VALUE

ABOUT US

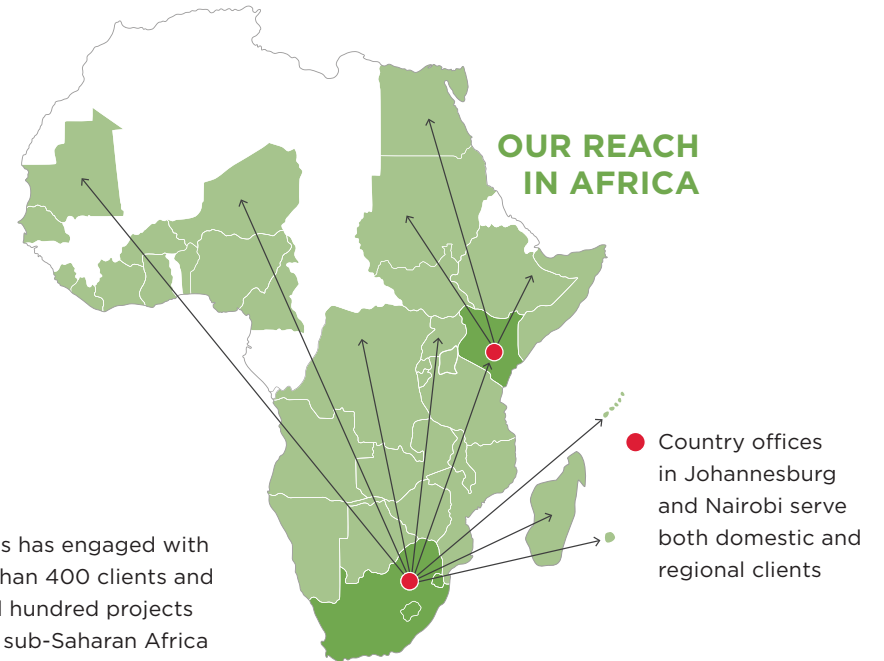
The Competition and Regulatory Economics Practice (CRE) is one of eight practices in Genesis Analytics. We were amongst the first economics-based consultancy firms to be established in Africa and have since grown into the largest. More than 45% of our work is now outside of South Africa.

Our CRE practice is a leading provider of competition and regulatory economics services in Africa. We have amassed unparalleled project experience since our inception two decades ago. We create value by applying rigorous economic analysis to provide a deep understanding of the markets in which our clients operate.

Our regulation expertise spans a wide variety of sectors including energy, telecoms, broadcasting, transport and healthcare, and includes:

- Tariff Design and Determination
- Sector Strategy and Policy Advisory
- Assessing the Impact and Effectiveness of Regulation

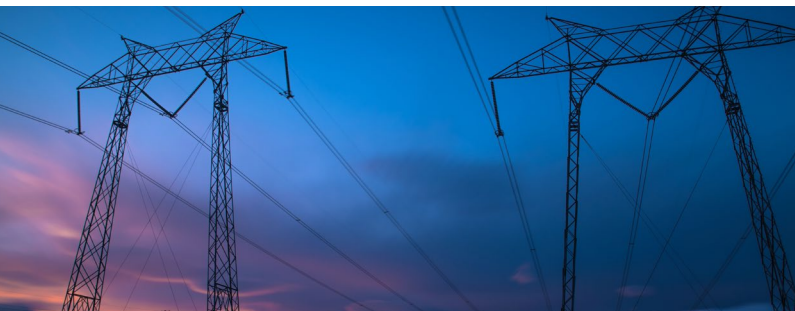
[READ MORE ABOUT REGULATORY ECONOMICS AND ACCOUNTING >](#)



Our expertise in competition economics covers the full range of matters including:

- Abuse of Dominance and Prohibited Practices
- Merger Analysis and Public Interest
- Expert Testimony
- Compliance Advice

[READ MORE ABOUT COMPETITION ECONOMICS >](#)



WHY OUR CLIENTS CHOOSE GENESIS FOR REGULATORY EXPERTISE IN ENERGY

FOCUS



Our **FOCUS** is on the energy markets in Africa, and assisting stakeholders to make them work better.

From our extensive experience in the energy sector, we understand its complex dynamics and how these feed into policy and best practice regulation.

EXPERTISE



Our **EXPERTISE** is in applying our broad set of regulatory tools and skills to develop winning solutions for our clients.

While economics is a core tool, we also leverage a range of in-house expertise such as regulatory accounting and financial modelling to improve decisions and unlock value.

ROBUST ANALYSIS



We provide **ROBUST ANALYSIS** to support key regulatory decisions.

Our experience in contested and legal matters means that we have a proven track record of delivering analysis that is able to withstand extreme scrutiny.

We pride ourselves on the quality of our analysis.

Our skills and experience enables **OUR CLIENTS** to make better decisions

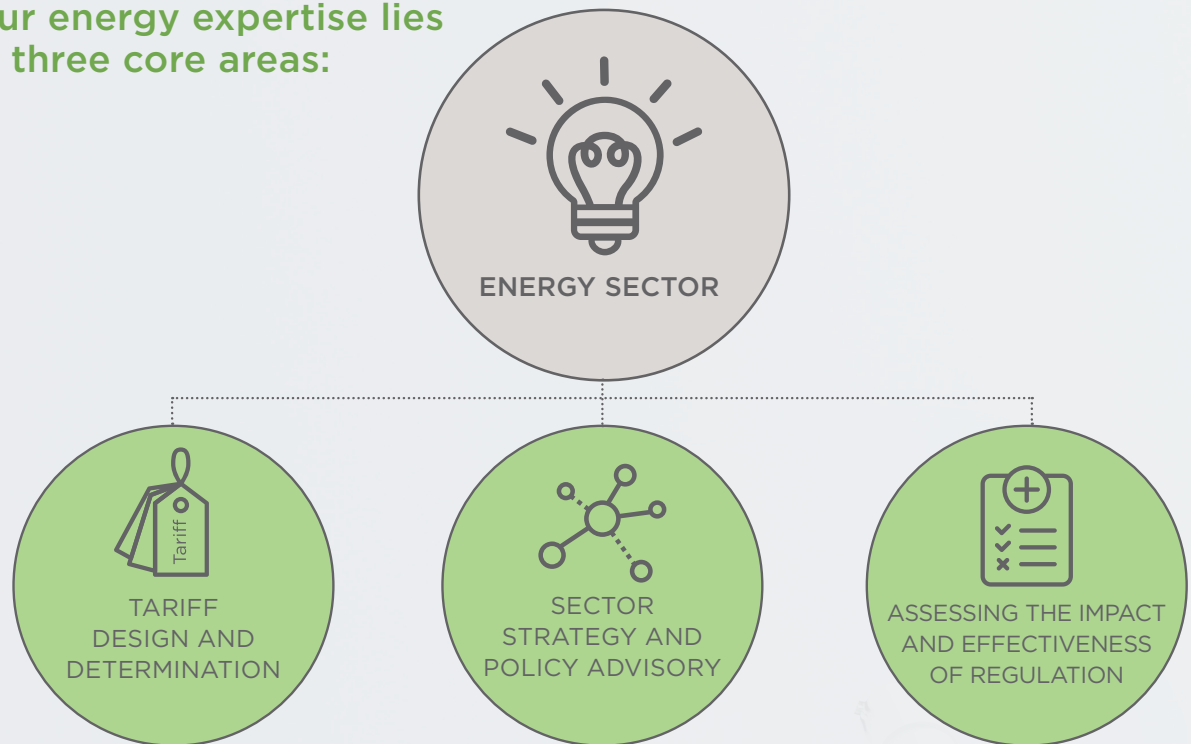


WHAT WE CAN DO FOR YOU

Energy security and affordability are seen as central to ensuring economic growth and development. As a leading provider of expert regulatory economics advice, Genesis offers the full spectrum of expertise to assist governments, regulators and private firms overcome bottlenecks inhibiting energy sector growth and affordability goals.

Such services range from addressing questions of policy and its impact to the more technical aspects of energy regulation across the sector including electricity, gas and petroleum products.

Our energy expertise lies in three core areas:



Our clients in Africa include:

Energy regulators and other government-related organisations such as National Energy Regulator South Africa (Nersa) | Eswatini Energy Regulatory Authority | Government of Lesotho | Lesotho Rural Electrification Unit (REU) | Zimbabwe Energy Regulatory Authority (Zera) | Lesotho Electricity and Water Authority (LEWA) | South African Department of Energy | National Treasury | Office of the Presidency | Department of Trade and Industry | South African Local Government Association (SALGA)

Private companies, task teams and industry associations including Business Unity South Africa | Energy Intensive User Group | Industry Task Team on Climate Change | Kenyan Power and Lighting Company (KPLC) | Chevron | Sasol Oil | Sasol Gas | PetroSA | Sunbird Energy

OUR CREDENTIALS



TARIFF DESIGN AND DETERMINATION

Using our in-house financial and regulatory accounting expertise, we provide expert advice in assessing, and assisting to develop, tariffs and tariff methodologies.

We have expertise in

- The design of tariff methodologies for regulators
- The determination of regulated prices
- International benchmarking assessments
- Cost of supply studies for efficient tariff setting
- The design of regulatory account reporting requirements to support price remedies
- Communicating technical findings to stakeholders

[READ MORE ABOUT OUR WORK >](#)

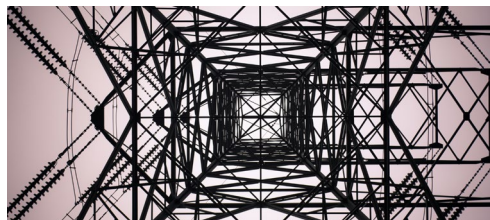
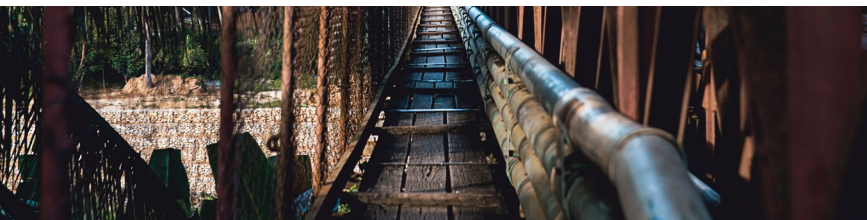
How we unlock value

Ensuring appropriate electricity prices in South Africa: We provided advice to business in critically assessing Eskom's multi-year electricity price determination applications. Our technical inputs to the regulator have been influential in ensuring Eskom's tariff path is governed by sound regulatory principles

Enhancing the viability of the liquid-fuel industry in Zimbabwe: We developed transparent pricing models for the regulation of different liquid fuels products to ensure an adequate, reliable and sustainable supply for the Zimbabwe Energy Regulatory Authority

Designing cost reflective tariffs for municipalities: We assessed the electricity tariff structure in the Nelson Mandela Bay Municipality in Port Elizabeth (South Africa) by developing a tailor-made electricity cost of supply model to define cost-reflective tariffs and determine the impact of a green tariff

- **Advice on piped-gas transmission and storage tariffs for Nersa in South Africa**
- **Harmonising tariff setting in electricity, piped gas and petroleum pipelines for Nersa**
- **Designing Small-Scale Embedded Generation (SSEG) tariffs in South Africa**
- **Benchmarking of electricity prices for a large energy player in Kenya**
- **Design of weighted average cost of capital methodology regulation for the Department of Energy**
- **Evaluation of Eskom's Regulatory Asset Base (RAB) on behalf of NERSA**



OUR CREDENTIALS



SECTOR STRATEGY AND POLICY ADVISORY

Our sector strategy and policy advisory work seeks to understand the functioning of energy markets in terms of prices, competition, efficiency and other market outcomes. We identify the need for regulation or policy intervention as well as helping clients to understand the impact of such interventions on their businesses. Our offer is strategic: to review regulation and policy and develop insight into how each might affect the trajectory of sector participants.

We have expertise in

- Assessing the basis for policy and regulatory action
- Developing suitable policy/regulations within the socio-economic context
- Designing and assessing specific economic regulatory tools such as price regulation, pro-competitive behavioural remedies and access regulations
- Designing and assessing suitable universal service policies and enabling regulations
- Strategic regulatory engagement support

How we unlock value

- **Advising the Presidency on restructuring the South African electricity sector:** We assisted an advisory panel in providing guidance on the restoration and security of electricity supply in South Africa and the reorganising Eskom
- **Optimal allocation of scarce energy resources:** Genesis provided input into designing a more economically efficient allocation model which leveraged on the existing system, alleviating the need to change the regulatory regime
- **Advising the national energy regulator on the optimal market structure for the Eswatini electricity Supply industry:** This included an assessment of the model appropriate model of generation, transmission and distribution for the country
- **Leading the transformation of Lesotho's Rural Electrification Unit:** We led a consortium of experts to assist in restructuring Lesotho's Rural Electrification Unit to increase rural electrification in the country
- **Strategic assessment of long-term resource and energy plans for business**
- **Competition assessment of the piped-gas industry for Nersa**
- **Advising on the South Africa Gas Utilisation Master Plan for the National Treasury and the Department of Energy**
- **Expert advisory and representation services for licence applications to a number of private sector players**

[READ MORE ABOUT OUR WORK >](#)



OUR CREDENTIALS



ASSESSING THE IMPACT AND EFFECTIVENESS OF REGULATION

We conduct ex-ante and ex-post regulatory impact assessments aimed at comparing the costs and benefits of regulating. We determine the efficiency and effectiveness of proposed regulation in terms of the impact on various stakeholders and the economy as a whole.

We have expertise in

- Market and situational analysis within the current regulatory context
- Analysis of financial cost and impact of regulation including the effect on prices, profitability, and industry competitiveness
- Assessment of distributional impact of regulation on stakeholders
- Compliance of regulations with other legislations and policies
- Development of alternate cost scenarios
- Public consultation and engagement with key stakeholders
- Assessment of socio-economic impact

How we unlock value

Regulatory Impact Assessment framework for the energy sector: Genesis assisted Nersa to develop a framework to conduct impact assessments for their major regulatory decisions

Assessing the impact of pricing and licensing decisions by The Lesotho Electricity and Water Authority (LEWA). This work is ongoing and involves developing a framework for conducting regulatory impact assessments, as well as an ex-post evaluation of decisions made over the past 14 years

Assessing the impact of Eskom's MYPD4 price application: We worked on behalf of Nersa and focused on an assessment of the responsiveness of electricity consumption to electricity price increases (across sectors)

Assessing the impact of electricity pricing on economic growth and development: This was done for the Energy Intensive User's Group and identified direct and indirect impact of the MYPD 3 tariff determination

The impact of restructuring Eskom's assets on the electricity price path: We developed a long-term tariff model for USAID Southern Africa that assessed the impact of restructuring Eskom's assets on the electricity price path

- **Assessing the impact of carbon taxes in South Africa for the Industry Task Team on Climate Change**
- **Assessing renewable energy tariffs and their impact on cost of electricity generation for a leading multinational power producer**

[READ MORE ABOUT OUR WORK >](#)



OUR TEAM

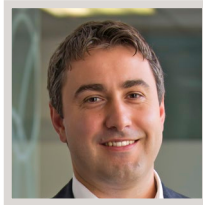
Our consulting team consists of people with both sector expertise and technical know-how. All of our consultants hold the minimum qualification of a Master's degree or are certified accountants.



STEPHAN MALHERBE

Chair & Managing Partner

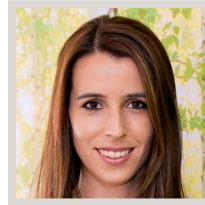
stephanm@genesis-analytics.com



ANTHONY FELET

Partner

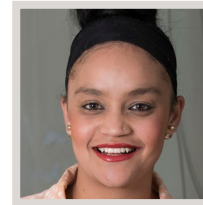
anthonyf@genesis-analytics.com



FATIMA FIANDEIRO

Partner

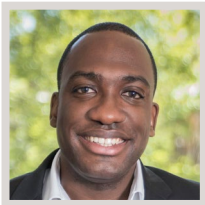
fatimaf@genesis-analytics.com



TASHNIQA JACOBS

South Africa Office

tashniqaj@genesis-analytics.com



JOEL BARNOR

Manager

joelb@genesis-analytics.com



TOM MAGARA

Senior Associate

tom@genesis-analytics.com



PAUL ANDERSON

Partner

paul@genesis-analytics.com



RUTH GACHATHI

East Africa Office

ruthg@genesis-analytics.com

We are here to help YOU make better decisions

Genesis works across various areas of expertise:

Competition & Regulatory Economics | Agriculture & Agribusiness | Applied Behavioural Economics | Climate Change | Financial Inclusion | Financial Services Strategy | Health | Infrastructure | Market Systems Development | Monitoring & Evaluation | Shared Value | Youth Economic Opportunities

[READ MORE ABOUT GENESIS ANALYTICS >](#)

[FURTHER INFORMATION ON OUR TEAM >](#)

OUR PURPOSE IS TO UNLOCK VALUE IN AFRICA

Our 80-plus consultants use their analytical capabilities to improve decision-making and through better decisions unlock substantial value for our clients and society



G:ENESIS
UNLOCKING VALUE