

From Public Service to Crisis Commerce: Commercial Electricity Deepens Taiz's Suffering



With government electricity continuing to be absent throughout the war years, commercial generators in Taiz (Yemen's most populous governorate) have shifted from a temporary emergency solution into a self-sustaining economy, one whose cost citizens pay daily amid the expansion of interests tied to the crisis and the stalled return of the state.

In one neighborhood of Taiz city, running a fan or charging a mobile phone is no longer a routine matter inside homes, but a decision tied to careful calculations. Families closely monitor operating hours and switch off devices one after another for fear of a higher bill at the end of the month, while electricity has become a daily topic of discussion in many households.

Taiz has carved out a place for itself among the world's most expensive cities in terms of energy costs; residential subscribers are forced to pay 1,300 rials (about \$0.83) for every kilowatt, while the commercial rate jumps to 1,400 rials (around \$0.90).

A simple comparison with international standards for fuel-based power generation shows that residents of Taiz are trapped by prices seven times higher than the global average. This pricing injustice has not only exhausted families, but has also forced small earners and tradespeople to shut down their livelihoods after the electricity "machine" consumed every possible profit margin.

Service Collapse and the Rise of Alternatives

Since the outbreak of war in Yemen in 2015, the country's electricity sector has suffered a broad collapse as infrastructure was damaged, with Taiz the hardest hit. The absence of service opened the door to the "privatization" of this bitter reality in an unprecedented saga of corruption whose chapters began in 2018.

Under illegal lease contracts that violate Electricity Law No. (1) of 2009, commercial companies seized the state's public grid. The tragedy is that these companies use state equipment and employees in exchange for paying only nominal fees to the public corporation, not exceeding 7 rials per kilowatt, while selling it to citizens at astronomical prices, leaving the corporation unable even to repair its destroyed buildings.

The commercial power generation sector in Taiz was established in mid-2018 through the company "Yemen Co," under a lease contract for the government grid that was described as illegal, sparking widespread protests from staff at the Public Electricity Corporation.

Despite legal opinions invalidating those contracts for violating Electricity Law No. (1) of 2009, the influence of investors and collusion by the administration at the time led to the state's resources being harnessed to serve the private sector.

Daily Pressure Inside Homes

Community activist Fahd Al-Makhlafi says commercial electricity has changed the shape of life inside homes, not only because of its high cost, but because it has become a constant source of psychological and social pressure on families.

He explains that many families have reduced their use of electrical appliances to the bare minimum out of fear of high bills, something that has affected the details of daily life inside homes. According to him, the issue is no longer just an economic burden, but has extended to tensions and disputes within the family over consumption and the cost of service.

He points out that the difference between government electricity before the war and commercial electricity today is not only about price, but also about service quality and reliability.

Government electricity, despite its limitations at the time, was less expensive and more regular, while commercial generators today suffer frequent outages and major disparities in quality between neighborhoods.

Differences in generator capacity and operating age have also created an unequal reality within the city itself, with some areas receiving better operating hours than other neighborhoods that rely on small or worn-out generators prone to repeated breakdowns.

The Commercial Electricity Market

Taiz suffers from a massive energy gap; while the city's three districts (Cairo, Al-Mudhaffar, and Salah) need at least 50 megawatts to keep things running, commercial companies together provide only 13 to 14 megawatts, shared among 60,000 subscription points.

This quantitative shortfall is accompanied by technical bleeding and systematic looting; reports indicate that 210 electrical transformers are out of service or have been stolen out of a total of 270 transformers (valued at as much as \$110 million), in addition to the disappearance of 30 government generators under mysterious circumstances. This destruction has reduced the grid's transmission efficiency to 60%, while electricity losses reached a record 40% of total generated power.

In an attempt to absorb public anger, the local authority approved a pricing matrix that lowered the kilowatt price to 900 rials (for diesel) and 750 rials for the "hybrid" system, while canceling subscription fees. But these decisions crashed against the rock of the "power station owners' bloc," who responded with a harsh bargain, demanding a net profit of 400 rials per kilowatt in exchange for handing management over to the corporation. Observers described this as a sly attempt to "privatize profits and nationalize losses," whereby the state bears fuel and maintenance costs while profits go into investors' pockets.

Despite mounting criticism, commercial electricity companies say they are operating under exceptional conditions imposed by the collapse of government service. Mohammed Saeed Al-Naqeeb, representative of Taiz Electricity Trading Company, says this service was not created to be a permanent alternative, but rather came as a temporary supportive phase until government electricity returns.

He stresses that electricity pricing is directly tied to diesel prices and operating costs, including transport, taxes, and rents, noting that companies are trying to maintain the lowest possible price compared with some other stations.

According to Al-Naqeeb, the continued operation of these stations has helped keep small economic activities running, from workshops and shops to refrigerators and service projects, in a city already suffering from deteriorating economic conditions and rising unemployment.

War Economy and Services

But over time, this reality has produced a parallel economy for public services, one tied to the continuation of the crisis itself. The longer government electricity remains absent, the more commercial electricity networks expand as the city's

main source of power.

Fares Al-Najjar, economic affairs adviser at the Office of the Presidency, describes this phenomenon as one of the outcomes of the “war economy,” explaining that wars do not only destroy infrastructure, but also produce alternative markets that fill the vacuum left by the state.

He says commercial electricity in Taiz has shifted from an emergency response into a stable economic activity around which financial interests, operating networks, and income sources for thousands of workers have emerged, including fuel suppliers, generator owners, collection networks, and related services.

Al-Najjar believes the most dangerous aspect of this transformation is the shift of electricity from a public service into a commodity directly tied to purchasing power, widening the social gap. Low-income families find themselves forced to reduce consumption or live with outages, while better-off groups can afford alternatives such as solar energy systems.

The impact of high electricity prices is not limited to homes, but extends to small commercial activities and the education and health sectors, where operating costs rise in a city already suffering from broad economic fragility.

Electricity and Energy Minister Adnan Al-Kaf said the electricity crisis in the liberated governorates has turned into a “huge black hole and a chronic problem” as a result of political conflicts and partisan and regional appointments within the ministry, pointing to the control of influential figures over private electricity networks in Taiz city and their being outside the framework of state control.

The Absence of Government Electricity

By contrast, Mohammed Al-Masbahi, director of the media office at the Ministry of Electricity and Energy, explains that Taiz is experiencing an almost complete absence of government electricity due to the cumulative effects of war, institutional division, damaged infrastructure, and large parts of it going out of service.

He points out that the governorate needs around 100 megawatts to meet growing demand, amid a major government shortfall and near-total reliance on commercial electricity and solar power.

According to Al-Masbahi, restoring the state's role in the electricity sector is not only about restarting stations, but requires rehabilitating networks, providing fuel, financing, and administrative and security stability, in addition to building organized partnerships with the private sector within a legal framework that prevents monopoly and protects citizens' rights.

But the crisis's complexities go beyond the technical aspect, as the continued absence of the state throughout the war years has allowed broad economic interests to form around alternative services, making it more complicated to end reliance on commercial electricity than simply restarting a government station.

Over time, commercial electricity has ceased to be merely an emergency response and has instead become part of an economic structure that emerged during the war and benefited from the institutional vacuum and the state's declining ability to provide basic services.

Direct Impact on Commerce

In parallel, the crisis has had a direct impact on the local commercial sector. Kamal Shaalan, owner of a bookstore in Taiz, says power outages and high electricity costs have clearly affected the activity of shops that depend on electricity, such as printing and photocopying businesses.

He adds that rising electricity bills are passed on to service prices, leading to higher prices and lower demand due to weak purchasing power. He also notes that reduced operating hours because of outages and high costs has directly affected daily revenues and business stability.

He stresses that the continued crisis has driven up the prices of products and services in the city and created growing difficulties for shop owners, considering what is happening to reflect a "resounding failure" in addressing the electricity file and improving basic services.

The matter does not stop at government incapacity, but extends to growing public accusations that leaders in the local authority are directly colluding with the city's energy "cartel." Observers and residents believe that the pricing matrices and official memorandums periodically issued by the local authority to set price ceilings are nothing more than "sedative injections" aimed at absorbing street anger and clearing officials of blame in the media, without any real will to enforce them on the ground.

This lax oversight, and allowing electricity companies to ignore official decisions with impunity, fuels suspicions of a network of shared interests and undeclared commissions paid to centers of influence in exchange for enabling these companies to continue imposing exorbitant prices and turning a public service into a means of extracting money from citizens under the watchful eye of a state that settles for the role of a "benefiting" spectator behind the scenes of the crisis.

In the absence of official will, citizens have been forced to turn to alternative energy as the only option for survival, despite its financial burdens that multiply

global prices as a result of reliance on costly storage systems (lithium batteries) to compensate for the absence of a government grid that would allow direct connection.

Even so, rooftops covered with solar panels have become a widespread economic phenomenon and a form of popular resistance against corruption and corporate monopoly, making these systems the primary investment for families seeking to escape the “hell” of commercial bills.

Faced with this “hell” of bills, the people of Taiz have found no choice but to declare their energy independence through “solar power,” as rooftops have turned into blue fields in an act of silent economic resistance. In numbers, the cost of a household subscription consuming 150 kilowatts per month (around 195,000 rials) is enough to recover the value of a complete solar system in less than two years.

Experts believe that utilizing the rooftops of government buildings alone could generate 20 megawatts of clean energy, enough to break the monopoly of the city’s “energy fiefdoms.”

In a city exhausted by war and long outages, the question today seems to go beyond merely restoring electric current; it concerns the state’s own ability to reclaim its role in managing public services, after the reality of commercial electricity turned into a stable economy that is difficult to dismantle once its interests became entrenched in the fabric of daily life.