



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

1952. Mr P van Dalen (DA) to ask the Minister of Energy:

- 1) With reference to her reply to question 1692 on 2 September 2016, to which schedule, in the Electricity Regulation Act, Act 4 of 2006, as amended, is she referring when stating that private generators who have generator installations above 100 kVA are exempted from obtaining a license to operate.
- 2) whether the National Energy Regulator requires private generators to have licences to produce power when they participate in net metering agreements with Eskom where they set the power generated off against their accounts with the specified entity; if not, why do certain municipalities apply a different policy in this regard; if so, what are the relevant details? NW2263E

Reply

- 1) Schedule 2 (1-3) of the Electricity Regulation Act (4 of 2006) and the proposed amendments thereto.
- 2) As indicated in the response referred to in question 1692, the department is not aware of Eskom's net-metering programme. Any net metering scheme, in terms of which excess power is generated, requires that a counterpart must buy the power produced, at an agreed price and on terms agreeable to the seller and the buyer. To our knowledge, no municipality has concluded the development of the framework for net metering in the context of existing legislation. The licensing regulations proposed by the Department of Energy will provide guidance and clarity in regard to the possible role and scope of the municipalities insofar as embedded generation.