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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF ENERGY

NO. 500

05 MAY 2020

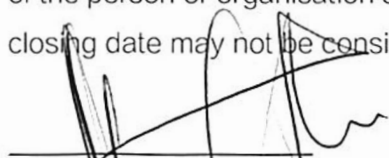
ELECTRICITY REGULATION ACT, 2006

**PUBLISHED FOR COMMENT: DRAFT REGULATIONS AMENDING THE
ELECTRICITY REGULATIONS ON NEW GENERATION CAPACITY, 2011**

I, Samson Gwede Mantashe, the Minister of Mineral Resources and Energy, in terms of section 35(4) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), intend to amend the Electricity Regulations on New Generation Capacity published by Government Notice R. 399 in Government *Gazette* 34262 of 4 May 2011 and amended by Government Notice R. 1366 in Government *Gazette* 40401 of 4 November 2016, as set out in the Schedule hereto.

The draft Regulations are hereby published for public comments in terms of section 35(5) of the Electricity Regulation Act, 2006, and interested persons are invited to submit written comments on the proposed Regulations, **within 30 days**, to the Director-General, Department of Mineral Resources and Energy, Private Bag X96, Pretoria 0001; Matimba House 192 Visagie Street, Pretoria; or email NewGenRegs2020@energy.gov.za (for attention Deputy Director-General:).

Kindly provide the name, address, telephone number, fax number and email address of the person or organisation submitting the comments. Comments received after the closing date may not be considered.



SAMSON GWEDE MANTASHE
MINISTER OF MINERAL RESOURCES AND ENERGY

GENERAL EXPLANATORY NOTE

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

SCHEDULE

Definitions

1. In this Schedule "the Regulations" means the Electricity Regulations on New Generation Capacity published by Government Notice No. R. 399 in Government Gazette 34262 of 4 May 2011, as amended by Government Notice R. 1366 in Government Gazette 40401 of 4 November 2016.

Amendment of regulation 1 of the Regulations

2. Regulation 1 of the Regulations is hereby amended by —
- (a) the substitution for the definition of "Minister" of the following definition:
- "Minister"** means the Minister of Mineral Resources and Energy; and
- (b) the insertion after the definition of "seller" of the following definition:
- "sound financial standing"** means an organ of state must be a going concern, and that the financial commitments to be incurred acquiring new generation capacity can be met by funds —
- (a) designated within the organ of state's existing budget; or

(b) destined for the organ of state in accordance with the future budgetary projections for the institution.”.

Amendment of regulation 3 of the Regulations

3. Regulation 3 is hereby amended by the insertion after paragraph (a) of the following paragraph:

“(aA) to permit a municipality to apply to the Minister to establish new generation capacity.”.

Amendment of regulation 5 of the Regulations

4. Regulation 5 is hereby amended by the addition of the following sub-regulations:

“(3) Notwithstanding sub-regulation (1), a Municipality may apply to the Minister to establish new generation capacity in accordance with the integrated resource plan, and such application must–

(a) be accompanied by a detailed feasibility study as contemplated in sub-regulation (2);

(b) demonstrate sound financial standing of the Municipality; and

(c) be aligned to the Integrated Development Plan of that Municipality.

(4) In considering an application by the Municipality in terms of sub-regulation (3), the Minister may request additional information required to make a determination in terms of regulation 6.”.

Amendment of regulation 9 of the Regulations

5. Regulation 9 is hereby amended by the substitution in sub-regulation (2) for the words preceding paragraph (a) of the following words:

“(2) Before the buyer concludes a power purchase agreement, the buyer or the procurer must, subject to any approvals required in terms of the PFMA, Municipal Finance Management Act and Municipal Systems Act -”.

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