



GUIDELINES FOR EMBEDDED GENERATION

Application process to become an embedded generator in Overstrand Municipality

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Disclaimer of liability

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Table of Contents

Disclaimer of liability	2
i. Guideline information	4
ii. Glossary & Definitions	5
iii. Abbreviations.....	6
1. Introduction	7
2. Indemnity, Legal Requirements & Curtailment.....	8
2.1. Illegal Connections to the municipal electrical grid.....	8
2.2. Generation Curtailment	8
2.3. Right to adapt rules & regulations	8
2.4. Tax clearance certificate requirements.....	8
2.5. Right to deny access	8
3. General Guidelines - Small Scale Embedded Generators	9
3.1. Registered Professional Sign off	9
3.2. Testing of Inverters	9
3.3. All generators shall be nett customers	9
3.4. Generating licence.....	9
3.5. Eskom grid connection	9
3.6. Decommission of a SSEG system and transfer/change of ownership.....	9
3.7. Islanding / Anti-Islanding installations.....	10
3.8. Off-grid system	10
3.9. Break-before-make switch with an appropriate change-over switch interlock	10
3.10. Adaption of electrical installation.....	10
3.11. Load Profile Management.....	11
3.12. Grid Studies	12
3.13. Applicable technical standards	12
3.14. Additional applications to be considered	12
3.14.1. Planning and Building Development Management.....	12
3.14.2. Health and Air Quality Approvals.....	12
3.14.3. Environmental Approvals.....	12
3.15. Who pays for what?	12
4. Residential Guideline - Small Scale Embedded Generators	13
4.1. Generation size limitations	13
4.2. Metering.....	13
4.2.1. Municipal electrical grid connection with reverse power flow blocking protection	13
4.2.2. Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid.....	13
4.3. Small Scale Embedded Generation Tariff	13
4.3.1. Network cost (R/kVA – based on capacity).....	14
4.3.2. Service charge.....	14
4.3.3. Energy charge (c/kWh).....	14
4.3.4. Feed-in rate (c/kWh).....	14
4.3.5. Billing Period.....	14
4.3.6. Increased Costs.....	14
4.3.7. Tariff / Accounts and Billing.....	14

5. Commercial and Industrial Guideline - Small Scale Embedded Generators.....	15
5.1. Generation size limitations	15
5.2. Metering	15
5.2.1. Municipal electrical grid connection with reverse power flow blocking protection	15
5.2.2. Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid.....	15
5.3. Embedded Generation Tariff	15
6. Residential, Commercial and Industrial small scale embedded generation application process..	16

i. Guideline information

Guideline Title	Small Scale Embedded Generation Guidelines in Western Cape Municipalities		
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Guideline Goals	<p>The parallel connection of any generator to the municipal electrical grid, however powered, has numerous implications for the local Municipality. It shall therefore be regulated and managed. The goals of this guideline are to:</p> <ul style="list-style-type: none"> • Ensure the safety of the municipal staff, the public and the user of the SSEG installation. • Mitigate the impact of the physical presence of the SSEG installation on neighbours (e.g. visual, noise). • Mitigate the impact on the quality of the municipal electricity supply, and metering and billing issues. • Mitigate the impact on cross subsidisation of indigent customers and other municipal services. • Promote growth in the SSEG industry by creating an environment conducive to growth.
Intended outcome	The purpose of this document is to give each stakeholder relevant guidance regarding the draft municipal SSEG rules, regulations, tariffs and application process.
Scope	<p>This document covers:</p> <ul style="list-style-type: none"> • The connection of SSEG to the municipal electrical grid only • Installations smaller than 1MW peak. • On-grid (grid tied and grid limited) and off-grid SSEG installations. • installations for “self-consumption” only <p>This document does not cover:</p> <ul style="list-style-type: none"> • Wheeling regulations • The connection of SSEG to the Eskom electrical grid. • Inverter testing regulations and procedures
Defining small scale embedded generation	<p>Small-scale embedded generation (SSEG) refers to power generation under 1MW/1000kW, which are located on residential, commercial or industrial sites where electricity is also consumed. SSEG is in contrast to large-scale generation units that generate large amounts of power, typically in the multi-Megawatt range.</p> <p>The majority of the electricity generated by an SSEG should be consumed directly on site. Times shall arise when generation exceeds consumption and typically a limited amount of power is allowed to flow in reverse - from the customer onto the municipal electrical grid.</p> <p>A SSEG customer therefore generates electricity on the customer’s side of the municipal electricity meter.</p>

ii. Glossary & Definitions

Alternating current	The flow of electrical energy that follows a sine wave and changes direction at a fixed frequency (i.e. it 'alternates'). Most residential and commercial uses of electricity require alternating current.
Direct Current	The flow of electrical energy in one constant direction. Direct current is typically converted to alternating current for practical purposes as most modern uses of electricity require alternating current.
Anti-Islanding	The ability of an SSEG installation to instantly and automatically disconnect the generator from the municipal electrical grid whenever there is a power outage in the utility municipal electrical grid, thus preventing the export of electricity to the municipal electrical grid from the SSEG. This is done primarily to protect municipal electrical grid workers who may be working on the grid and who may be unaware that the grid is still being energized by the SSEG.
Bi-directional meter	A meter that separately measures electricity flow in both directions (import and export).
Cogeneration	The sequential or simultaneous generation of multiple forms of useful energy (usually mechanical and thermal) in a single, integrated system.
Customer	In the context of this document, customers who also generate shall be referred to as "customers", although in effect they are "customer/generators".
Generating capacity	The maximum amount of electricity, measured in kilovolt Amperes (kVA), which can flow out of the generation equipment into the customer's alternating current wiring system. This is therefore the maximum alternating current power flow which can be generated.
Grid-tied	An SSEG that is connected to the municipal electrical grid either directly or through a customer's internal wiring is said to be "grid-tied". The export of energy onto the municipal electrical grid is possible when generation exceeds consumption at any point in time.
Inverter	A power device that converts direct current to alternating current at a voltage and frequency which enables the generator to be connected to the municipal electrical grid.
Isolated	A section of a municipal electrical grid which is disconnected from all other possible sources of electrical potential is said to be isolated.
Load profile	The variation of the customers rate of electricity consumption (or demand) over time.
Low-voltage	Voltage levels up to and including 1 kV. (1kV= 1000 Volts).
Medium-voltage	Voltage levels greater than 1 kV up to and including 35 kV.
Net customer	A net customer is someone who purchases (imports) more kWh of electricity than they export (sell) over a financial 12 month period ending 30 June.
Pr Eng or Pr Tech Eng or Pr Techni Eng	This refers to a professional engineer, professional technologist or professional engineering technician who is registered with the Engineering Council of South Africa (ECSA).
Reverse power flow	The flow of energy from the customer electricity installation onto the municipal electrical grid (i.e. export) as a result of the instantaneous generation exceeding the instantaneous consumption at the generation site in question.
Reverse power flow blocking	A device which prevents power flowing from an embedded generator back onto the municipal electrical grid.
Small Scale embedded generator	A small-scale embedded generator for the purposes of these guidelines is an embedded generator with a generation capacity of less than 1000 kW (1MW).
Stand-alone generator/ off-grid generator	A generator that is not in any way connected to the municipal electrical grid. Export of energy onto the municipal electrical grid by the generator is therefore not possible.

iii. Abbreviations

AMI	Advanced Metering Infrastructure
ECSA	Engineering Council of South Africa
kVA	kilo-Volt Ampere (unit of apparent electrical power, often similar in magnitude to kW)
kW	kilo-Watt (unit of electrical power)
kWp	kilo-Watt peak (the rated peak output of solar PV panels)
LV	Low Voltage
MV	Medium Voltage
MVA	Mega-Volt Amperes (1000 kVA)
NERSA	National Energy Regulator of South Africa
NMD	Notified Maximum Demand
PV	Photovoltaic
SSEG	Small Scale Embedded Generation/Generator
VAT	Value Added Tax
PPM	Prepayment meter

1. Introduction

Since the Western Cape Sustainable Energy Strategy was developed in 2007 drastic changes have taken place. In early 2008, South African Citizens began to experience planned interruptions of their electricity service (load shedding) as a result of South Africa's electricity demand exceeding the available supply. In addition, global and national commitments to carbon mitigation have been made. Disruptive pricing of technologies (especially renewable energy) and energy sources (local electricity, global gas) has become a reality. Essentially, a number of major energy decisions are currently being made at national level – e.g. on gas, biofuels, independent power producers, etc.

Together, these shifts in the energy landscape have accelerated the increasing interest in the viability of Small Scale Embedded Generation (SSEG) in South Africa. This, in combination with the geographical location of the Western Cape in terms of the South African energy system presents significant opportunities. The Western Cape Government and local municipalities have a chance to play a proactive role in the shifting energy landscape; contributing to a national solution to the energy crisis while boosting the local economy.

By encouraging the increasing interest in SSEG (like Photovoltaic Solar Systems (PV)), the Western Cape (and South Africa) can begin the shift towards a low-carbon urban energy environment. The large-scale uptake within municipalities of smart grids infrastructure, and embedded generation integrated into such infrastructure, would present new opportunities for economic growth, job creation, improving the efficiency of electricity provision, enhanced grid stability, mobilisation of investment, a reduction in greenhouse gas emissions and customer satisfaction.

The South African energy landscape is in a transitory phase between legacy/traditional infrastructure and a two-way or multi-party transactive energy future. What is required in this time of transition are forward thinking policies and rules & regulations that nurture the evolving distributed energy resource sector, while still allowing current systems to fulfil their role. Embedded generation is a local matter: municipalities play a vital role in terms of creating the required infrastructure and facilitating the necessary regulatory environment to enable the establishment and growth of the SSEG field.

These Guidelines are designed to assist all relevant stakeholders involved in the commissioning, installation, management and ownership of a SSEG system, with generation capacity less than 1 MW (1000 kW), to the municipal electrical grid. It is intended to provide guidance in this regard to:

- SSEG project developers,
- Residential and commercial property owners,
- SSEG installers,
- Energy consultants commissioned to design SSEG systems,
- Municipal officials involved in SSEG generation,
- Registered professional engineers, professional technologists or professional engineering technicians who are involved in SSEG commissioning.

The document is broken down into three main sections (in addition to this introduction). The first section details legal requirements and rights that the Municipality has in terms of SSEG. Section two covers important considerations in terms of the Municipality's SSEG rules and regulations that apply for all customers including residential, commercial and industrial customers. Section three detail specific considerations for residential and commercial and industrial customers respectively.

This document will be changed as and when required to adapt to the NERSA document when available or with new future trends and developments.

2. Indemnity, Legal Requirements & Curtailment

2.1. Illegal Connections to the municipal electrical grid

Paragraph 39 (1) of Overstrand Municipal Electricity Supply By-Law states that no generation equipment may be connected to the municipal electrical grid without the express consent of the Manager of the Electricity Department.

Failure to obtain this consent constitutes an offence which could lead to a fine and/or imprisonment. Furthermore, the installation may also be in contravention of the Occupational Health and Safety Act, for which punitive sanctions also apply.

Customers found to have illegally connected SSEG to the municipal electrical grid (either before or after their electricity meter) shall be instructed to have the installation disconnected from the municipal electrical grid. A Certificate of Compliance issued by a registered electrical contractor shall be required as proof of such disconnection.

Should the customer fail to have the SSEG disconnected from the municipal electrical grid, the Municipal Electricity Department shall disconnect the electricity supply to the property (as provisioned for in the Overstrand Municipal Electricity Supply by- Law)

Customers wishing to connect SSEG legally to the municipal electrical grid shall be required to follow the normal application procedure as detailed in these guidelines. No exemption from any of the Municipality's requirements shall be granted for "retrospective applications".

In addition, customers wishing to connect SSEG legally to the municipal electrical grid shall be required to ensure that illegal wiring forming part of the electrical installation is disconnected and that the installation is safe.

2.2. Generation Curtailment

In the event of operating conditions resulting in municipal electrical grid parameters not meeting statutory minimum quality-of-supply standards, it may become necessary to impose peak generation limits on embedded generator installations. It is expected that these limitations would be of a temporary nature, applied only during abnormal system conditions or low load periods.

2.3. Right to adapt rules & regulations

In the event of provincial or national changes in the energy landscape, relevant rules, regulations, policies, laws and standards it may become necessary to implement changes to this guideline and the rules, regulations, bylaws and policies that it references.

2.4. Tax clearance certificate requirements

In order to conduct business with Overstrand Municipality, a valid Tax clearance certificate is required annually if customers are VAT registered.

2.5. Right to deny access

It is essential that all customers wishing to install a SSEG system, regardless of generation capacity, complete the relevant sections of the application process in full, and that written approval is received from the Municipality before system installation commences. The Municipality needs to ensure that, amongst other considerations, the SSEG installation can be accommodated on the municipal electrical grid and that the total SSEG capacity of the municipal electrical grid has not been exceeded. Equipment should not be purchased prior to obtaining written approval from the Municipality, as approval is not guaranteed and the Municipality shall not be held liable for equipment expenses where approval is denied.

3. General Guidelines - Small Scale Embedded Generators

Although the SSEG rules and regulations for residential and commercial and industrial customers are different, certain sections of the Municipality's rules and regulations are overarching. This section covers important considerations in terms of the Municipality's SSEG rules and regulations that apply for all customers including residential, commercial and industrial customers who wish to connect a SSEG system, with generation capacity smaller than 1 MW (1000 kW)¹, to the municipal electrical grid.

3.1. Registered Professional Sign off

Until SANS 10142-Part 3: *The Wiring of Premises – Embedded Generators* and SANS 10142-Part 4: *The Wiring of Premises – Direct Current and PV* are published, all SSEG projects shall be signed off by a registered professional engineer and a certificate of compliance shall be issued.

3.2. Testing of Inverters

Until such time as a SABS mark is issued for inverters, the Municipality shall require proof in the form of test certificates, of type tests having been successfully carried out by a third party testing authority, certifying compliance of the inverters with the requirements of the Municipality and NRS097-2-2 .

3.3. All generators shall be nett customers

All SSEG installations shall consume more energy than they produce on a consecutive financial 12-month period. This stipulation is in response to the National Energy Regulator of South Africa (NERSA) requiring customers that produce more energy than they consume on a consecutive 12-month period.

3.4. Generating licence

Existing legislation requires that anyone generating electricity “not for own use” shall obtain a generating license from the National Energy Regulator of South Africa. A 1MW SSEG installation feeding back onto the municipal electrical grid while continuing to purchase more energy from the municipality than it feeds back onto the grid in a consecutive 12-month period is classified as electricity generation “for own use” and does not require a generating license from the NERSA².

If a NERSA generation licence is required, then it is the customer's responsibility to interact with NERSA. The Municipality is obliged to report to NERSA on a regular basis regarding all municipal electrical grid connected generation and disconnect generators that are not adhering to regulations.

3.5. Eskom grid connection

Customers residing within the municipal boundaries, but located in Eskom's area of supply, need to apply to Eskom for consent to connect SSEG to the Eskom electrical grid.

3.6. Decommission of a SSEG system and transfer/change of ownership

The Municipality requires notice of any SSEG system which has been decommissioned. The system shall be removed at the owners cost and a decommissioning report filed. If transfer/change of

¹ Anyone wanting to connect 1 MW or greater shall not be able to connect under the conditions of these guidelines. In addition a generating licence or exemption letter from NERSA shall be required before connection is considered.

² As there is no clarity regarding generation, both for 'own use' and 'not for own use', that is less than 1MW and that continues to consume more energy than they produce on a consecutive 12-month period an installation that fulfils these criteria does not need a licence.

ownership takes place, a new certificate of compliance is required and a new Supplemental Contract shall be signed or alternatively the SSEG system shall be decommissioned.

3.7. Islanding / Anti-Islanding installations

Grid-tied inverters are generally not designed to operate in “islanded mode” where the SSEG installation supplies power to a portion of the customer’s electrical grid during a general power outage. Should the inverter have this facility, it shall be effectively isolated from the municipal electrical grid during operation (as is legally required of any standby generator). Break before make switch.

If the SSEG installation is to be configured as a standby supply after islanding from the municipal electrical grid, the SSEG installation shall be connected to the existing internal wiring of the property. A registered person in terms of the Electrical Installation Regulations (2009) shall install the generator and issue a Certificate of Compliance to the owner if the generator is to be connected to the existing internal wiring of the property. Requirements of SANS 10142-1 – Clause 7.12 (Alternative supplies - including low voltage generating sets, Installations, etc.) apply. A fire safety and emergency shut off switch shall be installed where the SSEG installation is to be configured as a standby supply after islanding.

3.8. Off-grid system

Standalone generators (not connected to the municipal electrical grid in any way) do not need permission from the electricity department. However, approvals from other departments are still necessary (e.g. environmental, building & fire department). If the SSEG system shall never be grid-tied to an electrical installation connected to the municipal electrical grid, a registered person in terms of the Electrical Installation Regulations (2009) shall install the SSEG system and issue a Certificate of Compliance issued to the owner in terms of South African National Standard - The wiring of premises (SANS 10142-1 – Low-voltage installations), which confirms that the SSEG system is not grid-tied to the municipal electrical grid and that it only supplies an off-grid electrical installation. The Municipality shall require a copy of the Certificate of Compliance.

3.9. Break-before-make switch with an appropriate change-over switch interlock

Approval by the Municipal’s Electricity Department is not required if the SSEG installation is connected to the customer’s electrical grid via a break-before-make switch with an appropriate change-over switch interlock.

3.10. Adaption of electrical installation

All customers wishing to participate in the SSEG tariff shall adapt their electrical installations in such a way that metering is accommodated in a meter kiosk in the road reserve. This does not apply where an acceptable meter box or meter room already exists on the street-front property boundary. If no kiosk exists or there is no room for the meter in an existing kiosk, a meter kiosk shall be installed in the road reserve at the customer’s cost.

Refund of Prepayment meter (PPM) units when a customer changes to the SSEG tariff and has an AMI (credit) meter installed:

- PPM vending unit tokens already loaded on the PPM:
 - The customer may delay the installation of an AMI meter to consume it
 - Alternatively the customer may elect to forfeit the units on the PPM

- PPM vending unit tokens not yet loaded onto the meter
 - The customer may request a refund. The token shall be validated to confirm that it has not been used, after which the customer shall be refunded at the original tariff rate at which the token was purchased. The refund shall be credited to the customer's municipal account and shall not be paid out in cash.

3.11. Load Profile Management

The SSEG tariff has been structured in such a way that customers shall find it most beneficial, from a financial and practical point of view, to ensure that they utilise as much of the generated electricity as they can and avoid or minimise reverse power flow.

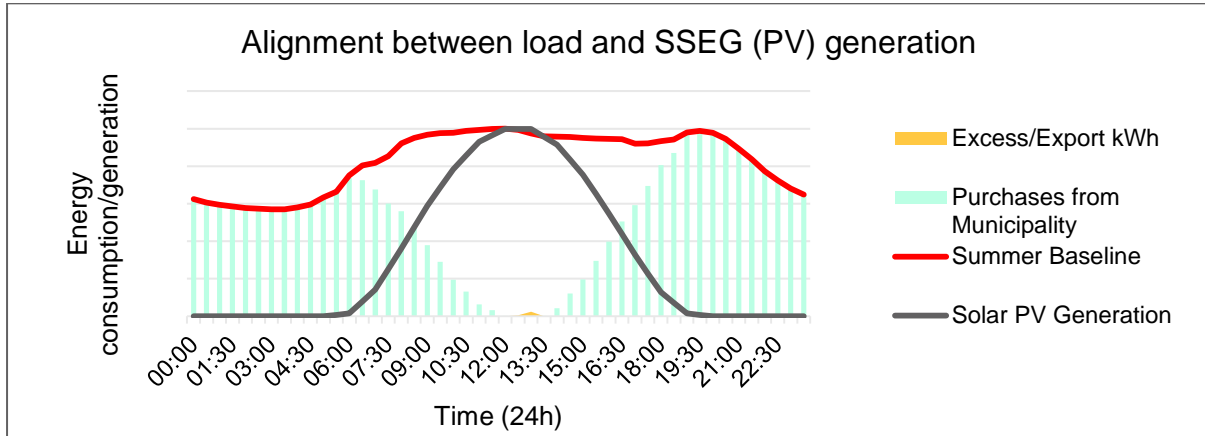


Figure 1: Load profile management - alignment between load profile and SSEG (PV) generation.

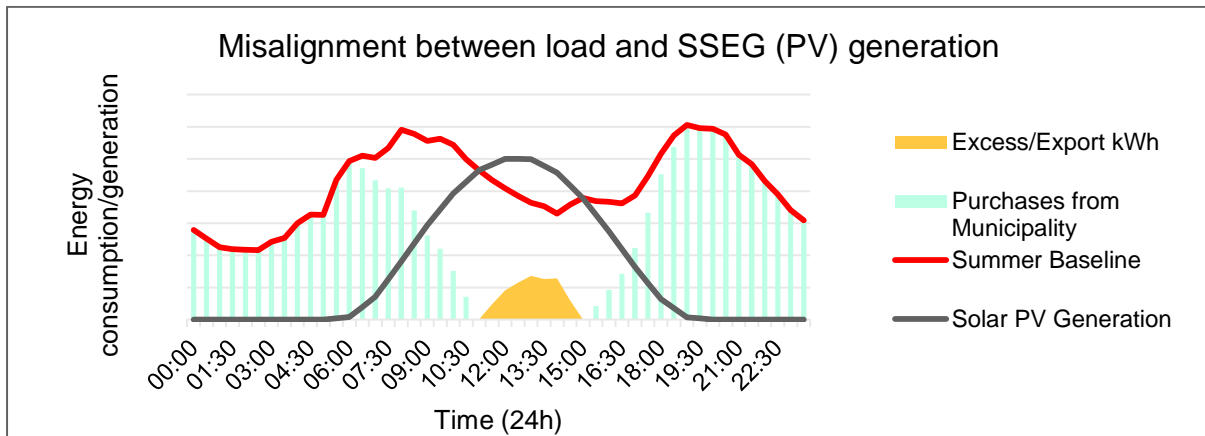


Figure 2: Load profile management - Misalignment between load profile and SSEG (PV) generation.

3.12. Grid Studies

Should the generation site not meet the criteria for a simplified utility connection for an LV connected SSEG system in terms of NRS 097-2-3, a municipal electrical grid study may be necessary and shall be carried out at the applicant's cost.

3.13. Applicable technical standards

Most of the technical requirements for SSEG are covered in the following standards and guidelines (note that these do not necessarily cover all requirements for small scale embedded generation):

1. NRS 097-2: *Grid interconnection of embedded generation: Part 2 SSEG*
2. *South African Renewable Power Plant Grid Code*

3.14. Additional applications to be considered

3.14.1. Planning and Building Development Management

No building plans are required to be submitted provided the SSEG installation does not project more than 1.5 m, measured perpendicularly, above the roof and/or not more than 600mm above the highest point of the roof. If the above statement does not apply then full building plans, including an engineer's endorsement, are required. A relaxation in terms of the Zoning Scheme Regulations is also required under either one or both of the above circumstances³.

3.14.2. Health and Air Quality Approvals

The Air Quality and Mechanical Engineering (Noise) Units do not need to be consulted with SSEG applications where diesel fuelled mechanical engine generator are not part of the installation. Should a mechanical engine which burns fuel or generates noise be incorporated in the installation, such applications should be referred to the Municipality Health Department.

3.14.3. Environmental Approvals

A residential SSEG installation does not require Environmental Approval unless it exceeds the electricity generation threshold mentioned in the section pertaining to *Planning and Building Development Management*⁴.

3.15. Who pays for what?

The customer is responsible for paying for the following:

- The supply and installation of meters,
- Specialist municipal electrical grid studies (if required),
- Any changes required to the municipal electrical grid upstream of the connection point as a result of the SSEG installation (subject to the clause mentioned in section 3.10),
- Specialist test that are required, e.g. Inverter testing.

³ PV systems installed on the ground - no building plans are required to be submitted provided the panel(s) in its installed position does not project more than 2.1 metres above the natural/finished ground level. Full building plans are required where any part of the installation projects more than 2.1 metres above the ground level. Other installations clearance required for other embedded generation such as wind.

⁴ Large-scale embedded generation installations would require environmental authorisation (EA) in terms of the NEMA 2010 EIA Regulations if they generate > 10 MW electricity, or more. In addition the electrical transmission infrastructure that may be associated with a large scale embedded generation system would also require EA if it has a capacity of 275 kV or more within an urban area, or more than 33kV outside urban areas.

4. Residential Guideline - Small Scale Embedded Generators

4.1. Generation size limitations

The following SSEG size limitations are derived from NRS 097-2-3 for Shared LV connections.

Table 1: SSEG size limitations - NRS 097-2-3 for Shared LV connections

Service connection		Maximum Total Generation Capacity of SSEG (kVA)
No. of Phases	Service Circuit Breaker Size (A)	
1	40	2.3 (10A)
1	60	3.5 (15A)
1	80	4.6 (20A)
3	40	6.9 (30A)
3	60	10.4 (45A)
3	80	13.9 (60A)
3	100	17.3 (75A)

The generation size limits in the table apply to normal residential connections on a shared low-voltage (LV) network. Customers who wish to apply for an installation with a generation capacity exceeding the limits in the above table shall consult with the Electricity Department before commencing. If SSEG generation capacity is 4.6 kVA or less, a single-phase inverter can be installed even if the customer has a three-phase connection. However, it is the responsibility of the customer to ensure that their load is balanced across all three phases. A registered professional should be consulted.

4.2. Metering

4.2.1. Municipal electrical grid connection with reverse power flow blocking protection

Customers wanting to connect a SSEG system to the municipal electrical grid without being compensated for reverse power flow, shall be required to install reverse power flow blocking protection to prevent reverse power flow onto the municipal electrical grid. If reverse power flow blocking protection is installed, the applicant can remain on their current tariff and continue to use their current meter.

4.2.2. Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid

Residential customers installing SSEG who wish to participate in the SSEG tariff, shall have a bi-directional SSEG approved meter installed. The Municipality shall provide and install the requisite meters at the customer's cost. Conventional credit or prepayment meters are not allowed to run backwards. If for some reason the customer is moved off the SSEG tariff (either by their own doing or by municipal mandate), they shall be required, at their own cost, to install reverse power flow blocking protection and (if necessary) a prepayment meter. They shall also forfeit any expenditure incurred purchasing the bi-directional SSEG approved meter. The meter remains the property of the Municipality.

4.3. Small Scale Embedded Generation Tariff

In order to qualify for the SSEG tariff, customers shall have excess generation regularly to require the facility to feed excess power back onto the municipal electrical grid. It shall be at the Electricity Department's discretion to decide whether customers shall be allowed on the residential SSEG tariff. Customers shall be moved off the tariff, if they do not have sufficient regular excess generation capacity.

The applicable SSEG tariff is the Residential small-scale embedded generation tariff and comprises of a rate per kWh at which the Municipality shall purchase residential excess generation.

4.3.1. Network cost (R/kVA – based on capacity)

It shall be ensured that the fixed costs associated with maintaining and operating the municipal electrical grid are recovered through appropriate charges. In the long term, these fixed costs may even increase due to SSEG as the municipal electrical grid needs to manage bi-directional flow.

4.3.2. Service charge

It shall be ensured that the fixed costs associated with providing a retail service network (metering, billing, customer call centre) are recovered through appropriate fixed charges.

4.3.3. Energy charge (c/kWh)

It shall be ensured that the variable cost associated with the volume of energy consumed is recovered through appropriate charges. This is billed on a per kWh basis and may be simple (Flat or Inclining Block Tariff) or complex (Time of Use or other).

4.3.4. Feed-in rate (c/kWh)

The SSEG system may avoid certain costs for a distributor and the customer should be fully compensated through an export credit rate for any measurable reduction of cost to the utility (energy cost/purchases and the network and line losses costs).

4.3.5. Billing Period

The service charge along with charges for consumption and credits for feed-in shall be billed monthly (as is done for other Municipal services e.g. water and rates). Tariffs are determined annually by the Municipality and are subject to approval by NERSA. SSEG applicants should check the Overstrand Municipality's website for the latest tariffs.

4.3.6. Increased Costs

The Municipality bears no responsibility should the customer's electricity bill increase due to changes in the tariff structure. It is up to the customer to ensure that they understand the financial implications of having an SSEG system installed.

4.3.7. Tariff / Accounts and Billing

The customer remains on his existing tariff which includes monthly basic fee, excluding pre-paid consumers, who will be converted to credit tariff.

The customer's municipal account shall be credited for energy generated by the embedded generator and exported to the network in the amount/s reflected in the annual tariff relating to the import and export of electrical energy for embedded generation. Small scale embedded generator customers (SSEG) will be billed as follows:

- (a) The service charge and all energy and maximum demand charges, as applicable, will be billed on the monthly electricity account.
- (b) A monetary credit will be passed for export of energy monthly against the normal monthly electricity account.
- (c) Customers will not be compensated if the monthly export reflects a credit balance. A credit (kwh) balance for export will be carried forward to the following month.
- (d) In the instance where an export credit exists on 30 June, this credit will be forfeited.
- (e) At the time that the customer ceases to be on the small scale embedded generation tariff, any remaining credit balance for export, will not be refunded to the customer.
- (f) The municipality shall not be obliged to grant credit to the customer for export not received onto the electrical grid due to unavailability of the grid or for any other reason.

5. Commercial and Industrial Guideline - Small Scale Embedded Generators

5.1. Generation size limitations

This guideline does not cover systems over 1MW (1000kW).

All LV commercial and industrial customers planning to install SSEG systems under 1MW shall comply with the sizing limitations specified in NRS 097-2-3.

MV commercial and industrial customers planning to install SSEG systems under 1MW may require a bespoke engineering study to determine the impact of the proposed SSEG system size on the municipal electrical grid.

5.2. Metering

5.2.1. Municipal electrical grid connection with reverse power flow blocking protection

Customers wanting to connect a SSEG system to the municipal electrical grid without being compensated for reverse power flow shall be required to install reverse power flow blocking protection to prevent reverse power flow onto the municipal electrical grid. If reverse power flow blocking protection is installed the applicant can remain on their current tariff and continue to use their current meter.

5.2.2. Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid

Customers installing SSEG who wish to participate in the SSEG tariff shall have a bi-directional SSEG approved meter installed. The Municipality shall provide and install the requisite meters at the customer's cost. Conventional credit or prepayment meters are not allowed to run backwards. If for some reason the customer is moved off the SSEG tariff (either by their own doing or by municipal mandate) they shall be required, at their own cost, to install reverse power flow blocking protection and (if necessary) a prepayment meter. The customer shall also forfeit any expenditure incurred purchasing the bi-directional SSEG approved meter. The meter remains the property of the Municipality.

5.3. Embedded Generation Tariff

Customers that are on tariffs which have a monthly service charge shall see no difference to the tariff, other than the addition of a generation credit component which is simply reimbursement for energy exported onto the municipal electrical grid. Customers on a tariff that does not include a monthly service charge shall be changed to an appropriate tariff. Tariffs are determined annually by the Municipality and are subject to approval by NERSA. SSEG applicants should check the Municipality's website for the latest tariffs.

6. Residential, Commercial and Industrial small scale embedded generation application process

The *application for the connection of embedded generation* form shall be completed for all forms of embedded electricity generation, including renewable energy and cogeneration. This form deals with applications for approval for all SSEG installations. Should tariff or metering changes be required for the SSEG installation, the general application form for new or modified connections shall also be completed. The forms are available on the Municipality's website.

- **Step 1: Visit the Municipality website**
 - Visit the Municipality's website and download the relevant application form/s as noted above.
- **Step 2: Complete *application for the connection of small scale embedded generation* form and, if required, the general application form for new or modified connections**
 - The Municipality requires that the application form/s be signed by the property owner.
 - Details of the proposed installer shall also be provided.
 - The property owner may need support from the proposed installer or a registered professional in completing the *generation and embedded generation application form*.
- **Step 3: Obtain permission from other Municipality departments**
 - The Electricity Department shall require prior approval of the proposed SSEG installation from other municipal departments such as Environmental, Building and Fire Department and other specialised services.
- **Step 4: Submit completed application form/s and attachments**
 - Form/s shall be submitted to the relevant Electricity Department.
- **Step 5: Installation commencement upon approval from the Municipality and signing of the Supplemental contract for embedded generation (Supplemental to the contract for the supply of electricity).**
 - After due consideration of the application, the applicant shall be informed in writing whether the application has been successful.
 - Once notified of a successful application, the applicant may commence installation.
 - Rejected applications may be modified and resubmitted.
- **Step 6: Commissioning and documentation to be submitted to the Electricity Services Department (a division within the Municipality).**
 - Commissioning of the system shall be undertaken by a registered professional, who shall complete and sign off the *SSEG Installation Commissioning Report*.
 - In addition to the Commissioning Report, the following documentation shall also be completed:
 - Final copy of circuit diagram.
 - Inverter Type Test - The inverter type test certification requirements are specified in the NRS 097-2-1. Type testing is to be undertaken by a 3rd party test house such as Bureau Veritas, KEMA or TÜV Rheinland. Inverter suppliers should be asked to provide the necessary certification before the equipment is purchased. A list of inverters which have been shown to comply with the municipality's requirements can be found on the municipality's website.
 - Factory setting sheet or other documentation showing that the inverter has been set according to NRS 097-2-1.
 - An electrical installation Certificate of Compliance as per SANS 10142-1.

- A signed *Supplemental Contract for Embedded Generation*. This is a legally required contract that governs the relationship between the Municipality and the customer. The contract is valid for as long as the project is in existence.
 - Operation and Maintenance Procedure – installation responsibilities after commissioning.
 - All completed documentation shall be submitted to the relevant Electricity Services office.
- **Step 7: Inspection of installation if necessary**
 - The Municipality may inspect the installation if required.
- **Step 8: Approval granted to connect to the municipal electrical grid and generation commences**
 - If all of the above is satisfactory, the Municipality shall install the necessary meters.
 - Approval to connect SSEG to the municipal electrical grid shall be provided by the Electricity Department to the customer, in writing.
 - Once this is done, the change to the tariff shall be implemented, where applicable.
- **Step 9: Repeat the process in the case of SSEG capacity expansion**
 - Should an expansion or a change to the system be required, a new application shall be completed.