



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK  
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY



# **Guidelines for Small Scale Embedded Generation in Stellenbosch Municipality**



**Guideline to the Application process to  
become an embedded generator in the  
Municipality of Stellenbosch**

## Table of Contents

i.	Guideline information .....	3
ii.	Glossary & Definitions .....	4
iii.	Abbreviations.....	5
1.	Introduction .....	6
2.	Indemnity, Legal Requirements & Curtailment.....	7
2.1.	Illegal Connections to the municipal electrical grid.....	7
2.2.	Generation Curtailment .....	7
2.3.	Right to adapt rules & regulations .....	7
2.4.	Right to deny access .....	7
3.	General Guidelines - Small Scale Embedded Generators .....	8
3.1.	Registered Professional Sign off .....	8
3.2.	Testing of Inverters .....	8
3.3.	All generators shall be net users of electricity .....	8
3.4.	Generating licence.....	8
3.5.	Eskom grid connection .....	8
3.6.	Decommission of a SSEG system and transfer/change of ownership.....	8
3.7.	Islanding / Anti-Islanding installations.....	9
3.8.	Off-grid system .....	9
3.9.	Break-before-make switch with an appropriate change-over switch interlock .....	9
3.10.	Adaption of electrical installation.....	9
3.11.	Load Profile Management.....	10
3.12.	Grid Studies .....	11
3.13.	Applicable technical standards .....	11
3.14.	Additional applications to be considered .....	11
3.14.1.	Planning and Building Development Management.....	11
3.14.2.	Health and Air Quality Approvals.....	11
3.14.3.	Environmental Approvals.....	11
3.15.	Who pays for what? .....	11
4.	Residential Guideline - Small Scale Embedded Generators.....	12
4.1.	Generation size limitations .....	12
4.2.	Metering.....	12
4.2.1.	Municipal electrical grid connection with reverse power flow blocking protection .....	12
4.2.2.	Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid.....	12
4.3.	Small Scale Embedded Generation Tariff .....	12
4.3.1.	Network cost (R/kVA – based on capacity).....	13
4.3.2.	Service charge.....	13
4.3.3.	Energy charge (c/kWh).....	13
4.3.4.	Feed-in rate (c/kWh).....	13
4.3.5.	Billing Period.....	13
4.3.6.	Increased Costs.....	13
5.	Commercial and Industrial Guideline - Small Scale Embedded Generators.....	14
5.1.	Generation size limitations .....	14
5.2.	Metering.....	14
5.2.1.	Municipal electrical grid connection with reverse power flow blocking protection .....	14
5.2.2.	Municipal electrical grid connection with reverse power flow/ feed-in to the municipal electrical grid.....	14
5.3.	Embedded Generation Tariff .....	14
6.	Residential, Commercial and Industrial small scale embedded generation application process..	15

## i. Guideline information

<b>Guideline Title</b>	Small Scale Embedded Generation Guidelines in Stellenbosch Municipality
<b>Guideline Goals</b>	<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"> <li>• Ensure the safety of the municipal staff, the public and the user of the SSEG installation.</li> <li>• Mitigate the impact of the physical presence of the SSEG installation on neighbours (e.g. visual, noise).</li> <li>• Mitigate the impact on the quality of the municipal electricity supply, and metering and billing issues.</li> <li>• Mitigate the impact on cross subsidisation of indigent customers and other municipal services.</li> <li>• Promote growth in the SSEG industry by creating a conducive environment for growth.</li> </ul>
<b>Intended outcome</b>	The purpose of this document is to give each stakeholder relevant guidance regarding the municipal SSEG rules, regulations, tariffs and application process.
<b>Scope</b>	<p>This document covers:</p> <ul style="list-style-type: none"> <li>• The connection of SSEG to the municipal electrical grid only</li> <li>• Installations smaller than 1MW peak.</li> <li>• On-grid (grid tied and grid limited) and off-grid SSEG installations.</li> <li>• installations for “self-consumption” only</li> </ul> <p>This document does not cover:</p> <ul style="list-style-type: none"> <li>• Wheeling regulations</li> <li>• The connection of SSEG to the Eskom electrical grid.</li> <li>• Inverter testing regulations and procedures</li> </ul>
<b>Defining small scale embedded generation</b>	<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

<b>Alternating current</b>	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.
<b>Direct Current</b>	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.
<b>Anti-Islanding</b>	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.
<b>Bi-directional meter</b>	A meter that separately measures electricity flow in both directions (import and export)
<b>Cogeneration</b>	The sequential or simultaneous generation of multiple forms of useful energy (usually mechanical and thermal) in a single, integrated system.
<b>Customer</b>	In the context of this document, customers who also generate shall be referred to as "customers", although in effect they are "customer/generators".
<b>Generating capacity</b>	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.
<b>Grid-tied</b>	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.
<b>Inverter</b>	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.
<b>Isolated</b>	A section of an electrical grid wiring or equipment which is disconnected from all possible sources of electrical potential is said to be isolated
<b>Load profile</b>	The variation of the customers rate of electricity consumption (or demand) over time.
<b>Low-voltage</b>	Voltage levels up to and including 1 kV. (1kV= 1000 Volts)
<b>Medium-voltage</b>	Voltage levels greater than 1 kV up to and including 33 kV.
<b>Net customer</b>	A net customer is someone who purchases (imports) consumes more kWh of electricity than they export (sell) over any 12 month period.
<b>Pr Eng or Pr Tech Eng or Pr Techni Eng</b>	This refers to a professional engineer, professional technologist or professional engineering technician who is registered with the Engineering Council of South Africa (ECSA).
<b>Reverse power flow</b>	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.
<b>Reverse power flow blocking</b>	A device which prevents power flowing from an embedded generator back onto the municipal electrical grid.
<b>Small Scale embedded generator</b>	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).
<b>Stand-alone generator/off-grid generator</b>	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

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

## 1. Introduction

Since early 2008 when South Africa experienced serious load shedding, because of inadequate generating capacity, the energy landscape has changed considerably.

In addition to the need for more generation capacity the global commitments to carbon mitigation accelerated the increasing interest in alternative energy. Various wind farms and solar energy plants have been built since and are feeding into the Eskom grid.

Along with this there is also high interests in small scale Embedded Generation (SSEG) in South Africa and also in Stellenbosch.

This mainly focus on energy from the sun which includes hot water solar and Photo Voltaic (P.V.) panels. The National Energy Regulator of SA (NERSA) started with a process to develop standard guidelines and regulations to be used by Municipalities, however this is not forthcoming and Municipalities like Cape Town developed their own guidelines and regulations.

Because of the demand experienced in Stellenbosch the Electricity Department drew up guidelines and regulations using the Cape Town document as a guide.

These guidelines are designed to assist all relevant stakeholders involved in the installation, commissioning, management and ownership of a SSEG system, with generation capacity less than 1MW (1000 kw);

It is intended to provide guidance in this regards to:

- \* SSEG Project developers
- \* Residential and commercial property owners
- \* SSEG installers
- \* Energy Consultants commissioned to design SSEG systems
- \* Registered professional engineers, professional technologists, professional engineering technicians who are involved in SSEG design and commissioning.
- \* Municipal officials involved in SSEG

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 general considerations in terms of the Municipalities SSEG rules and regulations that apply for all customers including residential, commercial and Industrial customers respectively. Sections three detail specific considerations for residential and commercial and industrial customers.

This document will be charged 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 38 & 39 of 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 Services 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 Services Department shall disconnect the electricity supply to the property.

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. 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)<sup>1</sup>, 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(net consumers of electricity)

All SSEG installations shall consume more energy than they produce on a consecutive 12-month period. This stipulation is in response to the National Energy Regulator of South Africa (NERSA) requiring customers to consume more energy than they produce 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 NERSA<sup>2</sup>.

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

---

<sup>1</sup> 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.

<sup>2</sup> 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 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 anyway) do need permission from the electricity department. However, approvals from other departments are still necessary (health, building, fire). 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 Services Department is 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 Municipality’s cost. Only in cases where there are extremely narrow or no footways, thereby precluding the installation of a meter kiosk, shall customers be required to provide metering accommodation on the street-front property boundary. Such a meter box shall face outwards and be locked with a standard Electricity Services Department lock.

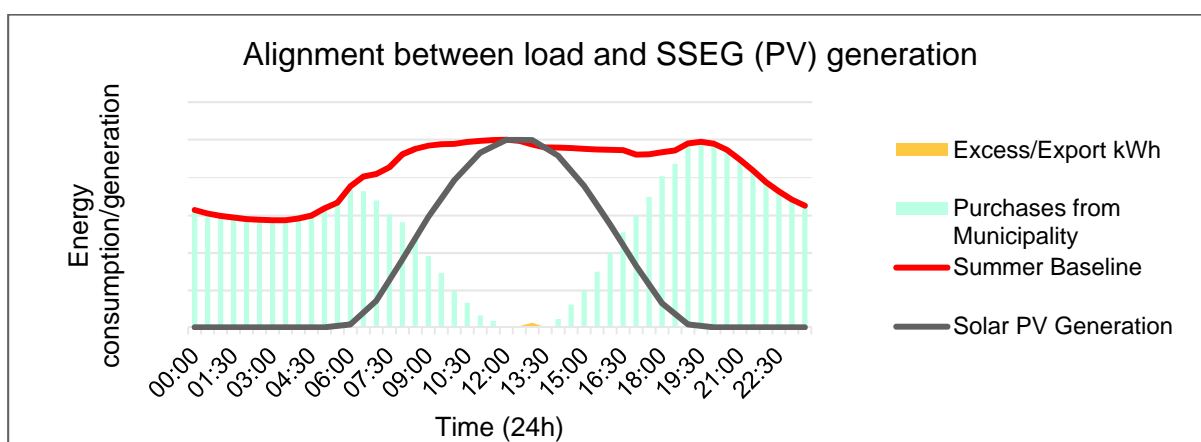
Refund of Prepayment meter (PPM) units when a customer changes to the SSEG tariff and has an AMI (credit) meter installed:

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

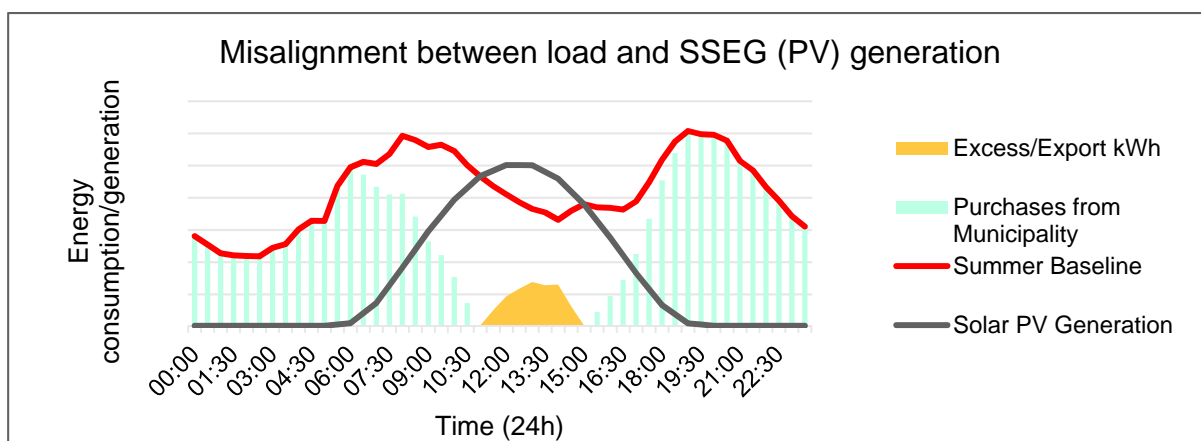
- PPM vending unit tokens not yet loaded onto the meter
  - The customer may request a refund. The token shall be validated to confirm that it has not been used after which the customer shall be refunded at the original tariff rate at which the token was purchased. The refund shall be credited to the 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 circumstances<sup>3</sup>.

#### 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*<sup>4</sup>.

### 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
- All costs related to the purchase and installations of the system

---

<sup>3</sup> 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.

<sup>4</sup> 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		
No. of Phases	Service Circuit Breaker Size (A)	Maximum Total Generation Capacity of SSEG (kVA)
1	40	2.3
1	60	3.5
1	80	4.6
3	40	6.9
3	60	10.4
3	80	13.9
3	100	17.3

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 Services 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. 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) the customer 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 installation of the bi-directional SSEG approved meter. The meter stay 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 to regularly require the facility to feed excess power back onto the municipal electrical grid. It shall be at the Electricity Services 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 daily service, network and meter reading charge
- Electricity consumption charges for kWh consumed
- 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 daily 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 Stellenbosch 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.

## **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 systems 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**

Residential customers installing SSEG who wish to participate in the SSEG tariff shall have a bi-directional SSEG approved meter. 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) the customer 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 installation of the bi-directional SSEG approved meter. The meter stays the property of the Municipality.

### **5.3. Embedded Generation Tariff**

Customers on a tariff that does not include a daily 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 Services Department shall require prior approval of the proposed SSEG installation from other municipal departments such as Fire services.
- **Step 4: Submit completed application form/s and attachments**
  - Form/s shall be submitted to the relevant Electricity Service 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 shall inspect the installation if required, although this is unlikely in the case of a residential application.
  - **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 Services Department to the customer, in writing, together with any operation and decommissioning requirements deemed necessary.
    - 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.