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No. 51100

THE PRESIDENCY

No. 5139 20 Augustus 2024

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

Act No. 38 of 2024: Electricity Regulation Amendment Act, 2024

<u>UMONGAMELI</u>

No. 513920 August 2024Kwaziswa ukuthi uMongameli uvumile
uMthetho olandelayo oshicilelwa lapha
ukuze kwaziwe wonke umuntu:—

No 38 Ka 2024: Umthetho wokuchibiyela ukulawulwa kukagesi, 2024



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

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t No. 38 of 2024				Electricity Regulation Amendment Act, 2024
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	GENERAL	EXPLA	NATORY NOTE:	
	[]	Words in bold type in square brackets ind existing enactments.	licate omissions from
			Words underlined with a solid line is existing enactments.	ndicate insertions in

(English text signed by the President) (Assented to 16 August 2024)

ACT

To amend the Electricity Regulation Act, 2006, so as to delete, amend, and insert certain definitions; to provide for the application of the Act; to provide for the National Energy Regulator to consider applications for licences and the issue of licences; to provide for revocation and deregistration of licences; to provide for additional electricity, new generation capacity and electricity infrastructure; to provide for the establishment, duties, powers and functions of the Transmission System Operator SOC Ltd and transitional measures; to provide for an open market platform that allows for competitive electricity trading; to assign the duties, powers and functions of the Transmission System Operator SOC Ltd to the National Transmission Company South Africa SOC Ltd; to provide for delegation and assignment; to provide for offences and penalties; and to provide for matters connected therewith.

 ${f B}^{E}$ IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 1 of Act 4 of 2006, as amended by section 1 of Act 28 of 2007

1. Section 1 of the Electricity Regulation Act, 2006 (hereinafter referred to as the "principal Act"), is hereby amended—

(a) by the insertion before the definition of "chief executive officer" of the following definitions:

"'**ancillary services**' means those services necessary to support the continuous and secure operation of an electric power system and necessary to maintain reliable operations of the national transmission power system and interconnected distribution power systems, including, but not limited to, those services necessary for voltage and reactive power control, automatic generation control, frequency control and black start capabilities; **'balance responsible**' means taking physical and financial responsibility for maintaining real-time balancing at specified metering points by

submitting forecasts and participating in the energy market; **'balance responsible party**' means a licensed or registered generator, distributor or trader that is responsible for balance responsible activities, and which is accountable through the balancing mechanism for 20 deviations;

'balancing mechanism' means a mechanism used by the system operator to balance the supply and demand of electricity in real time on the power system by cost effective dispatching of generation and demand resources;

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'central purchasing agency' means the entity assigned to fulfil the role of the wholesale buyer to maintain system integrity during, and after, the transition to a competitive electricity market;";

- (b) by the deletion of the definition of "chief executive officer";
- (c) by the insertion after the definition of "customer" of the following definitions: 5 "'Department' means the department responsible for mineral resources and energy; 'Director-General' means the Director-General of the Department; 'direct supply agreement' means an agreement for the sale of electricity between a generation licensee or registrant or trader, acting in its capacity 10 as such, and a customer, whether such electricity is supplied directly or through a transmission power system or a distribution power system, provided that the customer is not a transmitter, distributor or system operator or trader; 'dispatching' means the scheduling, coordination and management of 15 the flow of electricity produced by generation facilities into and out of a transmission power system or an interconnected distribution power system, including scheduling, coordinating and managing the start-up and shut-down of those facilities, and 'dispatch' has a corresponding meaning;"; 20(d) by the insertion after the definition of "distribution" of the following definition: "'distribution licensee' means a holder of a licence to operate a distribution power system;"; (e) by the substitution for the definition of "distribution power system" of the 25 following definition: "'distribution power system' means a network for the conveyance of electricity which operates at or below a nominal voltage of 132kV but above 11kV;"; by the substitution for the definition of "end user" of the following definition: 30 (f)"'end user' means a user of electricity [or a service relating to the supply of] who consumes such electricity;"; (g) by the insertion after the definition of "generation" of the following definition: "'generation licensee' means a holder of a licence to operate a 35 generation facility in terms of section 4(*a*)(i)(*aa*);"; (*h*) by the insertion after the definition of "generator" of the following definition: "'independent power producer' means any person in which an organ of state does not hold a direct or indirect controlling interest, which 40 undertakes or intends to undertake the development of new generation capacity or the generation of electricity pursuant to a section 34 determination;"; (i)by the substitution for the definition of "integrated resource plan" of the following definition: "'integrated resource plan' means [a resource] an indicative, forward- 45 looking plan [established by the national sphere of government to give effect to] for electricity generation, which reflects national policy on electricity planning, which plan specifies the types of energy sources and technologies from which electricity may be generated and indicates the amount of electricity that is to be generated from each of such sources or 50 technologies;"; (i) by the insertion after the definition of "integrated resource plan" of the following definitions: "'interconnected distribution power system' means a distribution power network that is interconnected to a transmission power system; 55 'legacy independent power producer contract' means a power

competitive electricity market;

purchase agreement that has been concluded prior to the launch of the

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	'licence' means a licence issued under this Act;	
	'market operator' means a person licensed to operate a trading platform	
	for power market participants and who takes no ownership of the energy	
	traded;	F
	'market transaction ' means a transaction that occurs in a competitive	5
(\mathbf{l}_{r})	environment, either on a competitive trading platform or bilaterally;";	
<i>(k)</i>	by the substitution for the definition of "Minister" of the following definition:	
	"' Minister ' means the Minister of [Minerals] <u>Mineral Resources</u> and	
(1)	Energy;";	10
(l)	by the insertion after the definition of "Minister" of the following definition: " multi-market ' means a hybrid market model accommodating market	10
	transactions, physical bilateral transactions and regulated transactions;";	
(m)	by the insertion after the definition of "National Energy Regulator Act" of the	
(111)	following definitions:	
	"'national transmission power system' means the interconnected	15
	transmission power system used for the transmission of electricity	15
	produced by generation facilities for purposes of the supply of electricity	
	to customers within and outside South Africa, above 132kV;	
	' new generation capacity ' means additional electricity capacity, includ-	
	ing capacity derived from new generation facilities, the expansion of	20
	existing facilities, or existing facilities not previously connected to the	
	national transmission power system, or an interconnected distribution	
	power system, other than—	
	(a) the capacity of generation facilities for own use;	
	(b) the capacity of generation facilities that supply electricity to end	25
	users pursuant to direct supply agreements;	
	(c) the capacity of generation facilities referred to in item 1 of Schedule	
	2 to the Act; and	
	(d) the capacity of generation facilities for export, which have been	
	approved by the Minister;";	30
(n)	by the insertion after the definition of "person" of the following definitions:	
	"'physical bilateral transaction' means a transaction entered into by	
	generators, customers and traders for energy production which involves	
	the conclusion of a power purchase agreement to meet demand and	25
	supply as required by the system operator;	35
	'power market participants ' means participants that meet the qualify-	
	ing criteria set, and choose to participate, in the market platform established by the market operator;	
	'power purchase agreement ' means an agreement between a generator	
	and a buyer, for the sale and purchase of electricity or electricity	40
	generation capacity;";	40
(α)	by the substitution of the definition of "price" of the following definition:	
(0)	"' price ' means a charge for electricity to an end-user or customer	
	reflecting the cost to serve that end-user or customer and may include a	
	tariff determined by the Regulator, and a surcharge, tax, levy or duty	45
	imposed by a municipality in terms of section 229 of the Constitution of	
	the Republic of South Africa, 1996;";	
<i>(p)</i>	by the insertion after the definition of "prescribe" of the following definitions:	
(1)	"'registrant' means a person registered with the Regulator in terms of	
	section 9;	50
	'regulated transaction' means a transaction that requires regulatory	
	approval or oversight, specifically where the exercise of market power is	
	likely or evident (for example, network charges);	

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- (*p*) by the substitution for the definition of "reticulation" of the following definition:
 - **'reticulation**' means the conveyance of electricity through a reticulation power system which operates at or below 11kV excluding trading, and "reticulate" and "reticulating" have corresponding meanings;";
- (q) by the substitution for the definition of "supply" of the following definition:
 "supply" means trading, system operation, export and import and the generation, transmission or distribution of electricity;";
- (r) by the insertion after the definition of "supply" of the following definitions:

 "system operation' means the operation of the national transmission 10
 power system in real time, including dispatching, scheduling of transmission and ancillary services, generation outage coordination, transmission congestion management and coordination, and such other activities as may be required for the reliable and efficient operation of the national transmission power system;
 'system operator' means the person who is responsible for system operation;";
- (s) by the substitution for the definition of "tariff" of the following definition:
 "tariff" means a charge to a customer or end user in respect of a licensed activity or registered activity, other than a surcharge, tax, levy or duty imposed by a municipality in terms of section 229 of the Constitution of the Republic of South Africa, 1996;";
- (*t*) by the insertion after the definition of "tariff" of the following definition: "**trader**' means a person who trades in electricity;";
- (u) by the substitution for the definition of "trading" of the following definition: 25 "**'trading**' means the <u>wholesale or retail</u> buying [or] and selling of electricity [as a commercial activity], and 'trade' has a corresponding <u>meaning</u>;";
- (v) by the insertion after the definition of "trading" of the following definition:
 "<u>trading platform</u>" means a platform where power market participants 30 conduct trade;";
- (w) by the substitution for the definition of "transmission" of the following definition:

"**'transmission**' means the conveyance of electricity through a transmission power system, excluding <u>system operation and</u> trading, and 35 'transmit' and 'transmitting' have corresponding meanings;";

(x) by the insertion after the definition of "transmission" of the following definition:

<u>'transmission development plan'</u> means the plan for the development of the national transmission power system referred to in sections 34(6)(*b*) 40 and 35(3A);";

(y) by the substitution for the definition of "transmission power system" of the following definition:

"**'transmission power system**' means a network for the conveyance of electricity which operates above a nominal voltage of 132kV including assets that are approved by the Regulator to be part of the transmission power system;";

(z) by the insertion after the definition of "transmission power system" of the following definition:

"<u>**Transmission System Operator SOC Ltd**</u>' means a juristic person 50 established in terms of section 34A(1);";

(*z*A) by the substitution for the definition of "transmitter" and "this Act" of the following definitions, respectively:

"'**transmitter**' means a person who **[transmits electricity]** <u>manages</u> and maintains a transmission power system; **[and]**

- **'this Act'** includes any regulation or rule made or issued in terms thereof[.]; and"; and
- (*z*B) by the insertion after the definition of "this Act" of the following definitions:

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"'vertically integrated licensee' means a person who holds one or more of the licences listed in section 4(a)(i), but excludes a person who only holds licences in terms of section 4(a)(i)(bb) and (cc); and 'vesting contract' means a contract or other financial arrangement between the National Transmission Company South Africa SOC Ltd and an Eskom generator or a distribution licensee, as the case requires, for the sale of a specified amount of electricity at a price determined by the Regulator as a mechanism to facilitate the transition to a competitive market.".

Amendment of section 2 of Act 4 of 2006

2. Section 2 of the principal Act is hereby amended by the substitution for paragraph (a) of the following paragraph:

"(*a*) achieve the efficient, effective, sustainable and orderly development and operation of electricity supply infrastructure in the Republic of South Africa;"

Insertion of section 2A in Act 4 of 2006

3. The following section is hereby inserted in the principal Act after section 2:

"Application of Act

his Act is applicable to the generation, transmission,
ticulation, system operation, trading, and import and export,
ctivities, and to persons undertaking such activities. 20
is not applicable to the operation of generation facilities with
tery storage—
sole purpose of providing standby or back-up electricity;
the facility, irrespective of capacity (megawatts), does not
point of connection to the facility; or 25
capacity of not more than 100 kilowatts, which complies with

(c) with a capacity of not more than 100 kilowatts, which complies with the code, has a point of connection and is subject to the distributor's prescribed conditions relating to the continued use of the point of connection.

(3) For the purposes of subsection (2), the Regulator shall prescribe the 30 manner in which the distributor shall keep a register of each facility.".

Substitution of section 3 of Act 4 of 2006

4. The following section is hereby substituted for section 3 of the principal Act:

"Regulator

3. (1) The National Energy Regulator established by section 3 of the 35 National Energy Regulator Act is the custodian and enforcer of the regulatory framework provided for in this Act.

(2) The Regulator has regulatory authority over persons undertaking activities, which are subject to this Act and has the powers to issue, amend, withdraw, suspend and revoke licences and determine the registration, revocation and deregistration of persons or activities in accordance with this Act.".

Amendment of section 4 of Act 4 of 2006, as amended by section 2 and renumbered by section 16 of Act 28 of 2007

5. Section 4 of the principal Act is hereby amended—

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	(a) by the substitution in paragraph (a) for subparagraph (i) of the following subparagraph:	
	"(i) consider applications for [licenses] <u>licences</u> and may issue licences for— (<i>aa</i>) the operation of generation, transmission or distribution	5
	facilities; (<i>bb</i>) the import and export of electricity; (<i>cc</i>) trading;	5
	(dd) market operator; or (ee) system operator,	
	<u>subject to the provisions of section 7;</u>";(b) by the substitution in paragraph (a) for subparagraph (ii) of the following subparagraph:	10
	 (ii) <u>set and approve prices and tariffs in a manner prescribed by a rule;</u> (c) by the substitution in paragraph (a) for subparagraph (v) of the following 	
	subparagraph: "(v) <u>(aa)</u> establish and manage monitoring and information systems and a national information system, <u>relating to matters within</u> the Regulator's jurisdiction; and	15
	 (bb) co-ordinate the integration thereof with other relevant information systems;"; (d) by the substitution in paragraph (a) for subparagraph (vii) of the following 	20
	subparagraph: "(vii) <u>enforce performance and compliance with this Act and licence condi</u> tions imposed by the Regulator in terms of this Act, and take appropriate	
	 steps in the case of non-performance or non-compliance;"; (e) by the addition in paragraph (a) after subparagraph (vii) of the following subparagraph: "(viii) exercise any power or perform any duty conferred or imposed on it under 	25
	 this Act or any other law;"; and (f) by the substitution for paragraph (b) of the following paragraph: "(b) may— 	30
	(i) mediate and arbitrate, as the case requires, disputes between generators, transmitters, distributors, traders, resellers, the trans-	
	 mission system operator and licensees or customers or end users <u>excluding disputes between registrants and their customers;</u> undertake investigations and inquiries into the activities of 	35
	licensees and other matters contemplated in this Act; (iiA) at its own instance, or following an investigation of a complaint—	
	(aa) determine whether any person is engaged in an activity requiring a licence in terms of section 7, or registration in terms of section 9, without that person holding a licence or registration certificate in respect of that activity; and	40
	(bb) direct any person engaged in an activity requiring a licence in terms of section 7 or registration in terms of section 9, who is not in possession of the necessary licence or registration certificate, to cease such activity; or	
	(iii) perform any other act incidental to its functions.".	
Ame	endment of section 6 of Act 4 of 2006	50

6. Section 6 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) The Regulator [must] may require a licensee to establish and fund a customer or end users forum in the manner set out in the licence held by such a person.".

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Amendment of section 7 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

7. Section 7 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) <u>Subject to sections 8 and 9</u>, [No] <u>no</u> person may, without [a] <u>the appropriate</u> 5 licence issued by the Regulator in accordance with this Act <u>or</u>, unless <u>authorised in</u> terms of a licence condition contemplated in section 14(1)(t)—

- (a) operate any generation, transmission or distribution facility;
- (b) import or export any electricity; [or]
- (c) be involved in trading[.];

(d) be a market operator; or

(e) engage in system operation.".

Substitution of section 8 of Act 4 of 2006, as amended by section 3 and renumbered by section 16 of Act 28 of 2007

8. The following section is hereby substituted for section 8 of the principal Act: 15

"Certain activities not licensed

8. The Minister may, after consultation with the Regulator and stakeholders in the advisory forum referred to in section 5, determine by notice in the *Gazette* that any activity contemplated in section 7(1), need no longer be a licensed activity, from the date set out in such notice.".

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Amendment of section 9 of Act 4 of 2006, as amended by section 4 and renumbered by section 16 of Act 28 of 2007

9. Section 9 of the principal Act is hereby amended—

- (a) by the substitution for subsection (1) of the following subsection:
 - "(1) The Minister may, in consultation with the Regulator, determine by 25 notice in the *Gazette* that any person involved in an activity relating to trading, <u>import or export</u>, or the generation, transmission or distribution of electricity that does not require licensing in terms of section 7, read with section 8, must register with the Regulator.";
- (b) by the substitution in subsection (4)(b) for the full stop at the end of paragraph 30(b) of a semi-colon; and
- (c) by the addition in subsection (4) after paragraph (b) of following paragraphs: $\frac{(c) \text{ compliance with the technical codes that may be applicable from time to time;}$
 - (*d*) compliance with regulatory requirements necessary for the sustained operation of the national transmission power system and interconnected distribution power systems; and
 - (e) payment of fees imposed by licensees for granting registrants access to their network.".

Amendment of section 10 of Act 4 of 2006, as amended by section 5 and 40 renumbered by section 16 of Act 28 of 2007

10. Section 10 of the principal Act is hereby amended—

- (a) by the substitution in subsection (2) for paragraph (a) of the following paragraph:
 - "(*a*) a description of the applicant, including <u>its</u> vertical and horizontal 45 relationships with other persons engaged in the operation of generation, transmission and distribution facilities, the import or

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export of electricity, trading, market operation, system operation or any other prescribed activity relating thereto;";

(b) by the substitution in subsection (2) for paragraph (h) of the following paragraph:

"(*h*) such other particulars as the Regulator may prescribe by a rule."; 5 (c) by the addition after subsection (2) of the following subsection:

"(3) The applicant may request the confidential treatment of commercially sensitive information contained in an application for a licence and, subject to the concurrence of the Regulator, such information may be withheld from publicly available copies of the licence application.". 10

Amendment of section 11 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

11. Section 11 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) When application is made for a licence the Regulator must, in 15 writing, direct, the applicant to publish a notice of the application, in at least two official languages as envisaged in section 6 of the Constitution of the Republic of South Africa, 1996, for a period of 30 days, in newspapers or other media, as the Regulator may specify, circulating nationally and in the area of the proposed activity." 20 (b) by the deletion of subsection (3); and

(c) by the substitution for subsection (4) of the following subsection: "(4) The Regulator must, within 30 days from the date of expiry of the period contemplated in subsection (2)(d), consider objections to the application contemplated in subsection (1) and make its decision 25 available to the public, together with its reasons for such decision.".

Amendment of section 12 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

12. Section 12 of the principal Act is hereby amended by the substitution for paragraph (a) of the following paragraph: 30

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"(a) must, if objections have been received, within 30 days from the date of expiry of the period contemplated in section 11(2)(d), furnish the applicant with all substantiated objections in order to allow the applicant to respond thereto; and".

Amendment of section 13 of Act 4 of 2006, as amended by section 6 and 35 renumbered by section 16 of Act 28 of 2007

13. Section 13 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) The Regulator must make a decision to grant or refuse an

- application in the prescribed manner within 60 days-"; (b) by the substitution in subsection (1) for paragraph (b) of the following paragraph:
 - (b) after receiving the response of the applicant as contemplated in section 12(a) or after receiving the information contemplated in section 12(b), whichever is the later date."; 45
- (c) by the substitution for subsection (3) of the following subsection:
 - "(3) The Regulator must issue separate licences for [----
 - (a) the operation of generation, transmission and distribution facilities;
 - (h) the import and export of electricity; or
 - **trading**] the activities listed in section 4(a)(i)."; and (c)

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(*d*) by the deletion of subsection (4).

Amendment of section 14 of Act 4 of 2006, as amended by section 7 and renumbered by section 16 of Act 28 of 2007

14. Section 14 of the principal Act is hereby amended—

- (a) by the substitution in subsection (1) for paragraph (a) of the following 5 paragraph:
 - "(*a*) the establishment of and compliance with directives to govern relations between a licensee and its <u>customers</u> or end users, including the establishment of <u>customer</u> or end user forums";
- (b) by the substitution in subsection (1) for paragraph (d) of the following 10 paragraph:

"(*d*) the setting or approval of prices, charges, rates and tariffs charged by licensees;";

- (c) by the substitution in subsection (1) for paragraph (f) of the following paragraph:
 - "(*f*) the **[format of and]** contents of agreements entered into by licensees and their customers;";
- (d) by the substitution in subsection (1) for paragraphs (l) and (m) of the following paragraphs, respectively:
 - "(*l*) the right to operate generation, transmission or distribution facili- 20 ties, to import or export electricity, to trade, to perform market operation, to undertake system operation or to perform prescribed activities relating thereto, including exclusive rights to do so, and conditions attached to or limiting such rights;
 - (m) the duty or obligation to trade, or to generate, transmit or distribute, 25
 <u>import or export</u> electricity, <u>or to engage in market operation or</u>
 <u>system operation</u> and conditions attached to such duties or obligations;";
- (e) by the insertion in subsection 1 after paragraph (t), of the following paragraph:
 - (*t*A) allowing the licensee to sub-contract the performance of the 30 licensed functions, including allowing for the licensee to subcontract the maintenance and operation of the generation, transmission or distribution facilities;";
- (f) by the substitution in subsection (1) for paragraph (z) of the following paragraph: 35

"(*z*) any other <u>ancillary or incidental</u> condition [**prescribed**] <u>specified</u> by the Regulator."; and

(g) by the insertion after subsection (2) of the following subsection:
 "(3) The Regulator may, at any time during the license period, amend, vary or add any licence condition.".
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Amendment of section 15 of Act 4 of 2006, as amended by section 8 and renumbered by section 16 of Act 28 of 2007

15. Section 15 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

- "(1) <u>The Regulator, when subjecting a licence to conditions relating to</u> 45 the setting or approval of prices, charges and tariffs charged by licensees as contemplated in section 14(1)(d)—
- (a) must enable an efficient licensee to recover the full cost of [its] the licensed [activities] activity [, including a reasonable margin or return];
- (*aA*)must allow for a reasonable return proportionate to the risk of the licensed activity;
- (b) [must] may provide for or prescribe incentives for continued improvement of the technical and economic efficiency with which services are to be provided;

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 (d) must avoid undue discrimination between customer categories; [and] (e) may permit the cross-subsidy of tariffs to certain classes of customers[.]; and; (f) may have regard to the need to ensure security of supply, the diversity of supply and to promote renewable energy."; (b) by the insertion after subsection (1) of the following subsections: "(1A) Tariff determinations must take into account all planned projects reflected in the integrated resource plan and the transmission development plan insofar as these projects shall impact on the costs of the licensee, for the period during which the tariff shall apply. (1B) In the case of vertically integrated licensees, the Regulator must set or approve separate tariffs for each of the licensed activities listed in terms of the licensee activities listed in the licensee of the licensees activities listed in the licensee activities listed in the	
 section 4(a)(i)."; (c) by the substitution for subsection (2) of the following subsection: 15 "(2) A licensee may not charge a customer any [other] tariff [and make use of provisions in agreements] other than [that determined or approved by the Regulator as part of its licensing conditions] the 	
 tariff set or approved by the Regulator as, or in accordance with, a licence condition."; and (d) by the addition after subsection (3) of the following subsection: ('4) Notwithstanding subsection (2), a licensee may charge a customer a tariff which has not been set or approved by the Regulator where such tariff is charged pursuant to a direct supply agreement or 	
arises as an outcome of a competitive market.". 25 Amendment of section 16 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007 16. Section 16 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection: "(2) The [Minister] Regulator must prescribe the procedure to be followed in 30	

"(2) The [Minister] <u>Regulator</u> must prescribe the procedure to be followed in 30 varying, suspending, removing or adding any licence condition.".

Amendment of section 17 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

17. Section 17 of the principal Act is hereby amended by the substitution for subsections (2) and (3) of the following subsections, respectively: 35

"(2) A licensee must, in the circumstances contemplated in subsection (1)(a) and (b), give the Regulator at least 12 months' notice in writing of **[his or her]** its intention to cease activities, unless the Regulator determines otherwise.

"(2A) The Regulator may—

(a) if it is alleged in terms of section 18(1) read with section (3A)(d), or
(b) on its own assessment,

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revoke a license if a licensee has contravened or failed to comply with a license condition or any provision of this Act."

(3) The [Minister] <u>Regulator</u> must prescribe the form and procedure to be followed in revoking a licence.".

Insertion of section 17A in Act 4 of 2006

18. The following section is hereby inserted in the principal Act after section 17:

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"Revocation and deregistration

17A. (1) The Regulator may vary, suspend or remove any registration on receipt of an application by a registrant or on application by a third party or upon violation of the applicable regulatory requirements.

(2) The Regulator may revoke a registration under the following 5 circumstances:

- (*a*) On application by a registrant;
- (b) where the facility is no longer required; or
- (c)when the conditions for registration as contemplated in section 9(4)are not met.

(3) A registrant must, in the circumstances contemplated in subsection (2)(a), give the Regulator at least six months' notice, in writing, of its intention to cease activities, unless the Regulator determines otherwise.".

Amendment of section 18 of Act 4 of 2006, as renumbered by section 15 16(b) of Act 28 of 2007

Section 18 of the principal Act is hereby amended by the insertion after subsection (3) of the following subsection-

(a) "(3A) If	the	tribunal	finds	that	the	allegation	contemplated	in	
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- subsection (3) is correct it may: 20 (a) serve a notice on the licensee directing the licensee to comply with the licence condition; impose a penalty contemplated in subsection (4) or any other *(b)* penalty it deems appropriate; 25
 - (c) recommend the amendment of a licence condition; or
 - (d) recommend the revocation of the licence."; and
- (h)by the insertion after subsection (6) of the following subsection: "(7) The Regulator must prescribe tribunal rules or procedures.".

Amendment of section 19 of Act 4 of 2006, as renumbered by section 16(b) of Act 28 of 2007 30

Section 19 of the principal Act is hereby amended by the substitution of subsection (1) of the following subsection:

"(1) Notwithstanding the provision of section 18(1), the Regulator may by way of application on notice of motion apply to the High Court for an order suspending or revoking a licence if there is any 35 urgent ground justifying such suspension or revocation.".

Substitution of section 20 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

19. The following section is hereby substituted for section 20 of the principal Act:

"Renewal of licence

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20. (1) Any generation, transmission or system operation licence issued in terms of this Act is valid for a period of 20 years or such lesser period as the Regulator may determine.

(2) Any distribution, [or] trading, import or export, market operation or system operation licence issued in terms of this Act is valid for the period 45 determined by the Regulator.

(3) A licensee may apply for the renewal of **[his or her]** its licence.

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(4) [An application for renewal must be granted, but the] The Regulator may set different licence conditions upon renewal of a licence subject to the provisions of this section.

(5) A licensee may not assign, <u>cede or transfer</u> a licence to another party without the written consent of the Regulator.".

Amendment of section 21 of Act 4 of 2006, as renumbered by section 16 of Act 28 of 2007

20. Section 21 of the principal Act is hereby amended— (a) by the substitution for subsection (1) of the following subsection: "(1) [A] Subject to a licence condition imposed in terms of section 10 14(1)(t), a licence issued in terms of this Act empowers and obliges a licensee to exercise the powers and perform the duties set out in such licence and this Act, and no licensee may cede, transfer or assign any such power or duty to any other person without the prior written consent of the Regulator."; 15 (b) by the substitution for subsection (3) of the following subsection: "(3) A transmission or distribution licensee must, to the extent provided for in the licence, provide non-discriminatory access to [the] its transmission [and] or distribution power [systems] system to third parties."; 20 (c) by the insertion after subsection (3) of the following subsection: "(3A) The system operator shall not discriminate between different generators or customers in relation to dispatching or balancing the system, except for objectively justifiable and identifiable reasons approved by the Regulator."; 25 (d) by the substitution in subsection (4) for the words preceding paragraph (a) of the following words: "(4) Access in terms of subsection (3) must be provided on the conditions set out in the licence of such transmitter or distributor. [that] which may relate to—"; 30 by the substitution in subsection (4) for paragraph (c) of the following (e)paragraph: "(c) the strengthening or upgrading of the transmission or distribution power system in order to provide for access, including contributions towards such strengthening or upgrading by the potential users of 35 such systems, if applicable;"; by the substitution in subsection (4) for paragraphs (e) and (f) of the following (f)paragraphs, respectively: "(e) compliance with any rule[,] or code [or practice made by the Regulator]; or 40 the [fees] tariffs that may be charged by a licensee for the use of (f)such power system."; and (g) by the insertion after subsection (4) of the following subsections: "(4A) Third party access to the transmission and distribution power system must be based on published tariffs, applicable to all eligible 45 customers, and applied objectively and without discrimination between the system users. (4B) A transmission or distribution licensee may refuse access only where it lacks the necessary capacity, with written reasons given for such refusal. 50

(4C) Any party requesting information on the network capacity and measures that would be necessary to reinforce the network, may be charged a reasonable fee for the costs of providing such information.

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(4D) Transmission and distribution licensees shall procure the energy they use to cover energy losses and reserve capacity in their system according to transparent, non-discriminatory and market-based procedures.

(4E) Rules adopted by the Transmission System Operator SOC Ltd for balancing the national transmission power system and the interconnected distribution power systems, including the rules for charging system users of their networks for energy imbalance, shall be objective, transparent and non-discriminatory.".

Amendment of section 22 of Act 4 of 2006, as amended by section 16 of Act 28 of 10 2007

21. Section 22 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) Any person authorised, in writing, thereto by a licensee may at all reasonable times enter any premises to which electricity is or has been supplied by 15 such licensee, in order to inspect the lines, meters, fittings, works and apparatus belonging to such licensee, or for the purpose of ascertaining the quantity of electricity consumed, or where a supply is no longer required, or where such licensee may cut off the supply, for the purpose of removing any lines, meters, fittings, works and apparatus belonging to such licensee.". 20

Amendment of section 24 of Act 4 of 2006, as amended by section 16 of Act 28 of 2007

22. Section 24 of the principal Act is hereby amended—

(*a*) by the substitution for the heading of the following heading: "24. Rights over roads or streets"; and

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(b) by the substitution in subsection (1) for paragraph (b) of the following paragraph:

"(*b*) Any activity contemplated in paragraph (*a*) must be undertaken subject to the right of supervision and in accordance with the plans, routes and specifications of the authority or person in control of that <u>road</u> 30 <u>or</u> street, except in cases of emergency or where the authority concerned fails or refuses to co-operate with the licensee.".

Amendment of section 27 of Act 4 of 2006, as amended by section 16 of Act 28 of 2007

23. Section 27 of the principal Act is hereby amended by the substitution for 35 paragraph (g) of the following paragraph:

 $\frac{(g) \text{ regularly reporting and providing information to the Department responsible}}{\frac{\text{for Provincial and Local Government, the National Treasury, the Regulator}}{\text{and customers;"}}$

Amendment of section 30 of Act 4 of 2006, as amended by section 16 of Act 28 of 40 2007

24. Section 30 of the principal Act is hereby amended—

- (*a*) by the substitution in subsection (1) for paragraphs (*a*) and (*b*) of the following paragraphs, respectively:
 - "(*a*) if it is a dispute between licensees, act as mediator <u>or arbitrator</u> if so 45 requested by both parties to the dispute;
 - (b) if it is a dispute between a customer or end user on the one hand and a licensee, [registered person] registrant[,] or a person who trades[, generates, transmits, or distributes electricity] on the other hand, settle that dispute by such means and on such terms as the Regulator 50 thinks fit.":
- (b) by the substitution for subsection (2) of the following subsection:

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"(2) The Regulator may appoint a suitable person to act as a mediator or arbitrator on its behalf, and any action or decision of a person so appointed is deemed to be an action by or decision of the Regulator.";

- (c) by the substitution for subsection (3) of the following subsection:
 "(3) The Regulator must prescribe, by a rule, the procedure to be followed in a mediation and an arbitration and the fees to be paid.";
- (d) by the deletion of subsection (4); and
- (e) by the addition after subsection (4) of the following subsection:

"(5) When acting as arbitrator, the Regulator or the person contemplated in subsection (2) must issue a decision on the matter, in writing, 10 and such decision is binding on the parties to the dispute.".

Amendment of section 32 of Act 4 of 2006, as amended by section 16 of Act 28 of 2007

25. Section 32 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) The Regulator must, in applicable circumstances, at its own instance or on receipt of a complaint **[or inquiry]** relating to **[the]** generation, transmission, distribution, **[or]** trading, market operation or system operation, investigate complaints and prepare a preliminary report in respect of—

- (a) [of] alleged discrimination regarding tariffs or conditions of access; and
 (b) if a licensee is involved, [of] an alleged failure to abide by its licensing
- conditions[; or].".

Amendment of section 33 of Act 4 of 2006, as amended by section 16 of Act 28 of 2007

26. Section 33 of the principal Act is hereby amended—

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- (a) by the substitution in subsection (1) for paragraph (a) of the following paragraph:
 - "(a) at all reasonable times enter any property on which any activity relating to the supply of electricity is taking place, or is suspected to be taking place, to inspect any facility, equipment, machinery, book, account or other document relating to electricity found thereat; and."

Amendment of section 34 of Act 4 of 2006, as amended by section 16 of Act 28 of 2007

27. Section 34 of the principal Act is hereby amended—

- (a) by the substitution for the heading of the following heading:
 "34. <u>Additional electricity</u>, [New] <u>new</u> generation capacity <u>and</u> electricity transmission infrastructure";
- (*b*) by the substitution in subsection (1) for the words preceding paragraph (*a*) of the following words:
 - "(1) The Minister may, in the event of the failure of a market, or in the event of an emergency, or for the purposes of ensuring security of energy supply in the national interest, **[in]** after consultation with the Regulator and the Minister of Finance, by notice in the *Gazette*, make a determination—";
- (c) by the substitution in subsection (1) for paragraphs (a) and (b) for the following paragraphs, respectively:
 - "(*a*) [determine] that <u>additional electricity or</u> new generation capacity is needed to ensure the [continued uninterrupted] <u>optimal</u> supply of electricity;
 - (b) [determine the types of energy resources from which] that new electricity [must be generated, and the percentages of electricity

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		that must be generated from such sources] transmission infra-	
		structure is needed to ensure the optimal supply of electricity;";	
(d)	by the de	eletion in subsection (1) of paragraphs (d) and (e);	
(e)		bstitution for subsection (2) of the following subsection:	
		(2) A determination referred to in subsection $(1)(a)$ must include	5
	prov	visions dealing with—	
	<i>(a)</i>		
		or electricity required to be produced, pursuant to such determina-	
	(1)	tion;	1.0
	<i>(b)</i>		10
		electricity may be generated and an indication as to the amount of	
		electricity that may be generated from each of such sources or	
	(a)	technologies;	
	<i>(c)</i>	whether the generator or generators shall be independent power producers or an organ of state;	15
	<i>(d)</i>	whether the electricity so produced, or a stated portion thereof, must	15
	(u)	be purchased by a person designated in the determination as the	
		buyer of such electricity;	
	(<i>e</i>)		
	(0)	only be sold to the buyer referred to in paragraph (d) ;	20
	(f)	where applicable, the conducting of the procurement process for the	
	07	acquisition of the electricity so produced; and	
	(g)	the extent to which the new generation capacity contemplated in	
	(0)	paragraph (a) may be established by independent power producers	
		and the electricity so produced supplied to customers pursuant to	25
		multiple supply agreements.";	
(f)	by the su	ubstitution for subsections (3) and (4) of the following subsections,	
	respectiv		
		(3) A determination referred to in subsection $(1)(b)$ may include	
		visions dealing with—	30
	<i>(a)</i>	the nature, type and extent of the required electricity transmission	
	(1)	infrastructure;	
	<i>(b)</i>		
		required electricity transmission infrastructure (or engage in any	25
		combination of these activities), shall be an organ of state;	35
	<i>(c)</i>	whether the person who constructs, manages, maintains or operates	
		the required electricity transmission infrastructure shall own that infrastructure;	
	<i>(d)</i>	whether the electricity transmission infrastructure, or the electricity	
	(u)	supplied by means of such infrastructure, shall be purchased or used	40
		by a person designated in the determination as the buyer or user;	
	(e)		
	(0)	supplied by means of the infrastructure, may only be sold to or used	
		by the buyer or user referred to in paragraph (d) ; and	
	(f)	where applicable, the conducting of the procurement process for the	45
		establishment of the required electricity transmission infrastructure.	
	(4	4) A determination referred to in subsection (1) may include	
	prov	visions dealing with any ancillary matter that is necessary or desirable	
		acilitate the procurement of electricity, new generation capacity or	
		tricity transmission infrastructure, as the case may be."; and	50
(g)		ldition after subsection (4) of the following subsections:	
		(5) A determination contemplated in subsection $(1)(a)$ may be	1
		bined with a determination contemplated in subsection $(1)(b)$.	
		5) In making a determination in terms of this section, the Minister—	
	<i>(a)</i>	must have regard to the content of the integrated resource plan and	55
		the transmission development plan, as the case may be; and	I

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the national interest. (7) Prior to deviating from the integrated resource plan or transmission development plan as envisaged in subsection (6)(b), the Minister must publish a notice in the <i>Gazette</i> , inviting the public to comment on the proposed deviation. (8) If it is reasonable and justifiable in the circumstances, the Minister may depart from the provisions of subsection (7).
proposed deviation.(8) If it is reasonable and justifiable in the circumstances, the Minister may depart from the provisions of subsection (7).
may depart from the provisions of subsection (7).
(9) The Minister has such powers as may be necessary or incidental to
giving effect to a determination referred to in subsection $(1)(a)$ or $(1)(b)$,
including the power to—
 (a) undertake such management and development activities, including entering into contracts, as may be necessary to prepare and conduct procurement processes for the development, construction, commis- sioning and operation of electricity generation facilities and electricity transmission infrastructure;
(b) purchase, hire or let anything or acquire or grant any right or incur
obligations for or on behalf of the State or prospective participant in any relevant procurement process for the purpose of transferring
such thing or right to a successful participant; and (<i>c</i>) subject to the Public Finance Management Act, 1999 (Act No. 1 of
1999), issue any guarantee, indemnity or security or enter into any
other transaction that binds the State to any future financial
commitment that is necessary or expedient for the development,
construction, commissioning or effective operation of public or
privately owned generation facilities or electricity transmission infrastructure.
(10) The Regulator, in exercising its powers and performing its
functions under this Act—
(a) is bound by any determination made by the Minister in terms of
subsection $(1)(a)$ or (b) ; and
(b) may issue a licence or registration certificate for the activities listed $A(x)$
in section $4(a)(i)$ in the absence of a determination made by the Minister in terms of subsection $(1)(a)$ or $(1)(b)$.
(11) In exercising the powers under this section the Minister is not $(1)(b)$.
bound by the State Tender Board Act, 1968 (Act No. 86 of 1968).
(12) A determination contemplated in this section may establish an
energy infrastructure project, which includes not only new generation
capacity and new electricity transmission infrastructure, but also other
interconnected or related infrastructure, installations, buildings, struc- tures, facilities, systems, services or processes, including gas infrastruc-
ture, in which case, subsections (3) and (9) shall, with the necessary
changes, apply to such infrastructure, installations, buildings, structures,
facilities, systems, services or processes.
(13) The Regulator must, in respect of an energy infrastructure project
contemplated in subsection (12), exercise its powers and perform its
functions under this Act and any other statute in a coordinated and integrated manner.
(14) The Minister may, in writing, direct the Regulator to conclude a
memorandum of understanding with any other regulator in order to
facilitate the coordinated establishment of an energy infrastructure
project contemplated in subsection (12).
(15) For purposes of this section, 'electricity transmission infrastruc- ture' means transmission facilities or any other electricity infrastructure
ture' means transmission facilities or any other electricity infrastructure and designated by the Minister by notice in the <i>Gazette</i> for this purpose,
excluding electricity generation facilities.".

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Insertion of sections 34A and 34B in Act 4 of 2006

28. The following section is hereby inserted in the principal Act after section 34:

"Establishment, duties, powers and functions of Transmission System Operator SOC Limited

34A. (1) Subject to section 35C(1), the Minister of Public Enterprises 5 must establish a juristic person to be known as the "Transmission System Operator SOC Limited" in order to provide an open market platform that shall allow for competitive electricity trading.

(2) The duties, powers and functions of the Transmission System Operator SOC Limited referred to in subsection (1) shall include the following:

- (a) To be a transmitter;
- (b) system operation;
- (c) to be a market operator; and
- (d) to be a central purchasing agency.

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Powers and functions of transmitter, system operator, market operator and central purchasing agency

34B. (1) A transmitter must—

	(i) II duisinteer muse	
<i>(a)</i>	implement infrastructure plans for the transmission network,	
	incorporating the capacity and demand and outlook to ensure	20
	reliable grid services to generators and customers;	
(b)	maintain and operate the transmission grid and coordinate outages;	
(c)	develop and implement transmission use of system charges and transmission charges subject to the approval of the Regulator;	
(<i>d</i>)	provide non-discriminatory access to the transmission power	25
()	system to third parties; and	
(e)	develop the transmission development plan.	
(2	2) A system operator must—	
(a)	operate the integrated power system in a safe, secure, efficient and sustainable way;	30
<i>(b)</i>	plan in respect of the development, strengthening, upgrading and	
	refurbishment of the national transmission power system;	
(<i>c</i>)	perform forecasting and dispatch scheduling; and	
(d)	co-operate with the Minister and any person acting as a procurer in	
()	terms of section 34, to facilitate the establishment of any new	35
	generation capacity or electricity transmission infrastructure, or	
	acquisition of electricity, that is the subject of a section 34	
	determination.	
(3	3) A market operator must—	
(a)	provide for a transparent, non-discriminatory trading platform,	40
. ,	approved by the Regulator, for power market participants to trade;	
(b)	develop a market code and rules, including qualifying criteria for	
. ,	power market participants approved by the Regulator; and	
(<i>c</i>)	the market code shall include, but is not limited to, provisions	
. ,	related to the following:	45
	(i) The different types of markets necessary to ensure effective	
	and secure operation of the industry including both physical	
	and financial transactions between power market participants	
	in the appropriate timescales, to enable the market transactions	
	and regulated transactions;	50
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	(ii) the method of operation, as well as development of systems, processes and procedures for the implementation of these markets;(iii) provisions for reconciliation in order to identify imbalances between scheduled and actual production, the consumption of	5
	electricity by power market participants, and the allocation of costs of remedial action and penalties where applicable;(iv) the qualifying criteria for power market participants, including financial and prudential requirements;	
	 (v) governance of the market code, including mechanisms for power market participants and stakeholders to propose changes to the code; and (vi) any other aspects necessary for effective and efficient market 	10
	operation. (4) A transparent, non-discriminatory trading platform and trading mechanism for power market participants referred to in subsection $(3)(a)$ is envisaged to be a competitive multi-market structure, which provides for market transactions, physical bilateral transactions and regulated	15
	 transactions. (5) A central purchasing agency must— (a) conclude and enter into transaction agreements as may be necessary for the procurement of electricity, including sufficient capacity and enter any here. 	20
	 energy supply; (b) in line with the Republic's international obligations, agreements and undertakings— (i) conclude electricity import agreements that ensure a reliable and stable supply of electricity for customers within the 	25
	 Republic; and (ii) conclude electricity export agreements, having regard to the interests of the Republic over the long term; (c) in relation to regulated transactions— 	30
	 (i) be the buyer for existing Independent Power Producer power purchase agreements, as well as new Independent Power Producer power purchase agreements, as required by Ministerial determination; (ii) conclude power purchase agreements with each Eskom generator to cover capacity payments and ancillary services for 	35
	a period approved by the Regulator; (iii) conclude vesting contracts with Eskom generators and distribution licensees, as the case requires, approved by the Regulator, to manage the transition to a competitive market; and	40
	(iv) trade all energy purchased under the legacy independent power producer contracts and act as the balance responsible party on behalf of the legacy independent power producer contracts.".	45
	of section 35 of Act 4 of 2006, as amended by section 12, and by section 16, of Act 28 of 2007	
29. Section	35 of the principal Act is hereby amended—	

- (a) by the substitution in subsection (2) for paragraph (d) of the following paragraph:
 - " (\hat{d}) [codes of practice relating to] the security, operation, use and maintenance of transmission and distribution power systems;";

- (b) by the substitution in subsection (3) for paragraph (c) of the following paragraph:
 - "(*c*) the <u>security</u>, operation, use and maintenance of transmission and 55 distribution power systems;";

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(c) by the substitution in subsection (3) for paragraph (i) of the following paragraph:

> "(i) the fees to be paid in respect of mediation, arbitration and the settlement of disputes;";

> > 5

(d) by the insertion after subsection (3) of the following subsection: "(3A) The Regulator must, after consultation with the Minister, make rules regarding the content of the transmission development plan, including rules relating to the inclusion in the plan of an analysis of grid connection capacity, reasonable timelines for the expansion and strengthening of the national transmission power system and the 10 estimated cost of the transmission development, strengthening, upgrading and refurbishment envisaged in the plan."; and

by the deletion in subsection (4) of paragraph (n). (e)

Insertion of sections 35A, 35B and 35C in Act 4 of 2006

30. The following sections are hereby inserted in the principal Act after section 35: 15

"Delegation and assignment

35A. (1) The Minister may, subject to such conditions he or she may impose, in writing, delegate any power conferred on him or her under this Act, except a power to make regulations, and may assign any duty so imposed on him or her, to the Director-General or any other officer in the 20 Department.

(2) The Minister is not divested of any power or exempted from any duty delegated or assigned in terms of subsection (1).

- (3) The Minister may at any time-
- (a) amend or withdraw a delegation or assignment made in terms of 25 subsection (1); or
- (b) subject to subsection (4), withdraw or amend any decision made by a person exercising a power or performing a duty delegated or assigned in terms of subsection (1).

(4) A decision made by a delegatee or assignee may not be withdrawn in 30 terms of subsection (3)(b) where it confers a right or entitlement on any third party.

Offences and penalties

this Act.

35B. (1) Any person who—	
(a) contravenes the provisions of section 7(1);	35
(b) fails to comply with a direction issued in terms of section	
4(b)(iiA)(bb);	
(c) obstructs or hinders any person authorised in terms of section 33(1) in	
the exercise of powers under section 33;	
(d) makes any false or misleading statement to the Regulator in	40
connection with any matter contemplated in this Act; or	
(e) without lawful authority, damages, removes or destroys any transmis-	
sion, distribution or reticulation cable, equipment or infrastructure,	
shall be guilty of an offence.	
(2) Any person who is convicted of an offence by a court of	45
law referred to in subsection (1) shall be liable to a fine not exceeding	
R1 000 000,00 or to imprisonment for a period not exceeding five years or	
to both such fine and imprisonment.	
(3) Despite anything to the contrary contained in any other law, a	
Magistrates Court has jurisdiction to impose any penalty provided for in	50

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(4) Any person who, in any manner, without lawful authority, acquires or receives into his possession from any other person transmission, distribution or reticulation cable, equipment or infrastructure without having reasonable cause for believing, at the time of such acquisition or receipt, that such transmission, distribution or reticulation cable, equipment or infrastructure is the property of the person from whom he acquires or receives it or that such person has been duly authorized by the owner thereof to deal with it or dispose of it, shall be guilty of an offence.

(5) Any person who is convicted of an offence referred to in subsection (4) shall be liable to a fine not exceeding R5 000 000,00 or to imprisonment for a period not exceeding ten years or to both such fine and imprisonment.".

Transitional provisions

35C. (1) From the effective date of this Act, until the date that the Transmission System Operator SOC Limited referred to in section 34A(1) is established, which period shall not be longer than five years, the National Transmission Company South Africa SOC Limited—

- (a) is for all purposes deemed to be the Transmission System Operator SOC Ltd;
- (b) must perform the duties, powers and functions of the Transmission 20 System Operator SOC Ltd; and
- (c) in exercising its duties, must do so in a manner that is independent and ensures fair and equitable treatment of all system users.

(2) During the period of transition referred to in subsection (1), the Regulator shall exercise regulatory oversight and facilitate the transition to a competitive market.

(3) Notwithstanding the provisions of subsection (1), the Regulator must, subject to the conditions determined by the Regulator, upon application by the National Transmission Company South Africa SOC Limited and after satisfying itself regarding the appropriateness thereof, issue the relevant licence to the National Transmission Company South Africa SOC Limited for the performance of the duties, powers and functions of the Transmission System Operator SOC Ltd as provided for in section 34A(2).".

Amendment of arrangement of sections in Act 4 of 2006

31. The arrangement of sections after the long title of the principal Act is hereby 35 amended—

- (a) by the insertion after "2. Objects of Act" of the following: "2A. Application of Act";
- (b) by the insertion after "17. Revocation of licence on application" of the following: 40
 "17A. Revocation and deregistration";
- (c) by the substitution for "24. Rights over streets" of the following:
 "24. Rights over roads or streets";
- (d) by the substitution for "34. New generation capacity" of the following:
 "34. Additional electricity, [New] new generation capacity and electricity 45 transmission infrastructure";
- (e) by the insertion after "34. Additional electricity, new generation capacity and electricity transmission infrastructure" of the following:

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" 34A. Establishment, duties, powers and functions of Transmission System Operator SOC Ltd;	
34B. Powers and functions of transmitter, system operator, market operator	
and central purchasing agency"; and	
(f) by the insertion after "35. Regulations, rules, guidelines, directives and codes	5
of conduct and practice" of the following:	
"35A. Delegation and assignment	
35B. Offences and penalties	
35C. Transitional provisions".	
ubstitution of long title of Act 4 of 2006, as amended by section 13 of Act 28 of 2007	10

32. The following long title is hereby substituted for the long title of the principal Act: "To amend the Electricity Regulation Act, 2006 so as to delete, amend, and insert certain definitions; to provide for the application of the Act; to provide for the National Energy Regulator to consider applications for licences and the issue of licences; to provide for revocation and deregistration of licences; to provide for additional electricity, new generation capacity and electricity infrastructure; to provide for the establishment, duties, powers and functions of the Transmission System Operator SOC Ltd and transitional measures; to provide for an open market platform that allows for competitive electricity trading; to assign the duties, powers and functions of the Transmission System Operator SOC Ltd to the National Transmission Company South Africa SOC Ltd; to provide for delegation and assignment; to provide for offences and penalties; and to provide for matters connected therewith.".

Short title and commencement

33. This Act is called the Electricity Regulation Amendment Act, 2024, and comes 25 into operation on a date determined by the President.