FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

(Incorporating Fish Hoek, Clovelly and Sun Valley)

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TO: NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA),
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SUBJECT: OBJECTION TO THE RULES FOR REGISTRATION OF SMALL-SCALE EMBEDDED GENERATORS (SSEG) AND PROCESS

CLOSING: 31 MAY 2018 AT 16:00

We thank you for this opportunity to comment and acknowledge the National Energy Regulator's (NERSA's) role as established in terms of section 3 of the National Energy Regulator Act #40 of 2004. We know that NERSA's mandate is to regulate the electricity industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006).

In previous submissions to NERSA, we have recommended the splitting of generation from distribution. The distribution side would need to manage the demand upon the generation side to ensure **a fair balance between the interest of** its generators **and end-users**.[1]

Rather than single massive nodes of electricity generating stations, if each household (less than 1 MW) could contribute a small amount of pure form electricity throughout the grid for **universal access** (Section 2(b)), this would contribute to an **effective, efficient** and **sustainable** (Section 2(a)) power grid.

What each household would like to do is have **affordable** (Section 2(c)) electricity throughout the day in all seasons. Affordability is difficult as small generators typically rely upon sun or wind (**diverse energy sources** (Section 2(d))). Both are variable and require back-up storage or a national grid connection, which adds costs. If each household could generate a slight excess over its needs, then the distribution needs to communicate the throttling back to the generators. Each household's small contribution could be capped at lowering their grid electricity demand's monthly bill to zero with excess provided gratis to the distributor.

Shouldn't NERSA investigate how the distributor can manage micro contributors (**orderly development and operation** (Section 2(a))) to the grid rather than pursuing rent seeking from the once-off applications for registration, connection fees and on-going licence fees for owning a generator or solar panel whether connected to the grid or not? A multi-node grid with many providers is more resilient than a sparse nodal network liable to single, large failure points.

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[1] http://pqrs.co.za/nersa_rules_for_pv_systems/

Rather than registration (Section 5 is redundant), view all connections as potential generation points. All connections by tacit agreement will abide by being good users and generators. This needs to be defined rather than the rules section as stated in: http://www.nersa.org.za/Admin/Document/Editor/file/Consultations/Electricity/Documents/Consultation%20Paper-Rules%20for%20Registration%20of%20SSEG.pdf. As users will want to draw electricity from the grid when they are not producing, this smooth transition switchover needs to be defined so that conformity is understood. It will take the South African Bureau of Standards (SABS) quite a while to approve new switchover devices. Consider using international standards of acceptance rather and a growing list of equipment tested should be made available to the public.

The distribution side will need to monitor the quality of electricity throughout the network. Bad users and generators should be disconnected immediately and then must apply for re-admittance onto the grid through a **certification of compliance** (Section 6(1)(a)(vi)) process. That is, the cart is already in front of the horse and the distribution side needs to do a massive catch-up by setting up monitoring to locate the abusers.

Does NERSA really see itself as an admin hub for all the Small-Scale Embedded Generators (SSEG)? By stating any generator less than 1 MW could include hand-held solar chargers for one's cell-phone. Was this really the intention?

In general, requiring all SSEGs to register when they are completely off the grid makes no sense.

The point of household SSEGs was a result of the high Eskom tariffs that drove customers to seek cheaper alternatives. Having to pay registration, connection and on-going licence fees goes counter to that. This will drive electricity consumption lower and productivity for South Africa Incorporated lower resulting in fewer jobs, etc. We suspect there will be widespread civil disobedience to these rules.

The application and certification will be a long process effectively requiring all current producers to disconnect their SSEGs. This will result in the unintended consequence of Eskom not being able to meet the demand and then seeking to augment with their diesel generators. The certification and registration processes are too onerous technically and demanding of resource limited municipalities or Eskom for approvals.

RECOMMENDATIONS

It is recommended, for the reasons set out in this report that:

- Section 5 is eliminated, as stated in Section 1 Definitions, all customers are considered to be consumers and producers of electricity, making this section redundant;

- Section 6 is eliminated as due to the high and ever rising Eskom tariffs, many customers are already producing electricity and are still connected to the grid. Therefore, the distribution side needs to rather monitor the quality of electricity and disconnect unclean electricity users and producers (grid code and national requirements abusers) only until they can produce their certification of compliance whereupon they must be immediately reconnected to the grid. The supply and demand side must be balanced during the long transition process.

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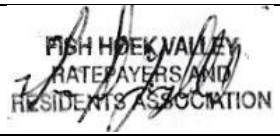
SIGNATURE	
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