

Ramaphosa lifts embedded generation threshold to 100MW

By Nicci Botha

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President Cyril Ramaphosa's surprise announcement that the embedded generation threshold from 1MW to 100MW, as the country reels from stage 3 and 4 loadshedding, is a major step to achieving the country's vision of economic recovery.



Image source: Getty/Gallo

This means that companies can produce their own electricity up to 100MW without a licence from the National Energy Regulator of South Africa (Nersa).

“Following an extensive public consultation and a significant amount of technical work undertaken by the [@DMRE_ZA](#), we will be amending Schedule 2 of the Electricity Regulation Act to increase the NERSA licensing threshold for embedded generation projects from 1 MW to 100 MW.” pic.twitter.com/yzUFiziRZg— Presidency | South Africa
🔗🔗🔗🔗 (@PresidencyZA) [June 10, 2021](#) ”

"However, generation projects will still need to obtain a grid connection permit to ensure that they meet all of the requirements for grid compliance. Generation projects will also need to have their registration approved by the regulator to verify that they have met these requirements and to receive authorisation to operate," he said.

Municipalities will have discretion to approve grid connection applications in their networks, based on an assessment of the impact on their grid.

They will also have to undertake an environmental impact assessment and all other requirements of existing legislation.

"This will ensure that while we enable as much new generation capacity as possible to come online, we also ensure the orderly development of the energy system.

"This reform is expected to unlock significant investment in new generation capacity in the short and medium term, enabling companies to build their own generation facilities to supply their energy needs.

"This in turn will increase the available supply of energy and reduce the burden on Eskom, allowing Eskom to proceed with its intensive maintenance programme and reduce its reliance on expensive gas and diesel turbines," Ramaphosa said.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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