

<p>Item A-F (28-2020) CM 25/06/2020</p>	<p>REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP), MEDIUM - TERM REVENUE AND EXPENDITURE FRAME WORK (MTREF), AND BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP): 2020/2021 TO 2022/23</p>
---	---

Resolved:

5. That to guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the policies as set out in the following Annexures of this document.

- Annexure D1** Medium-term Budget Statement Policy (reviewed)
- Annexure D2** Pricing Policy Statement (reviewed)
- Annexure D3** Property Rates Policy (reviewed)
- Annexure D4.1** Provision of Free Basic Electricity Policy (reviewed)
- Annexure D4.2** Provision of Free Basic Water Supply Services (reviewed)
- Annexure D5** Waste Management Services Tariff Policy (reviewed)
- Annexure D6** Consumer Deposit Policy (reviewed)
- Annexure D7** Indigent Support Policy (reviewed)
- Annexure D8** Credit Control & Debt Collection Policy (reviewed)
- Annexure D9** Provision for Doubtful Debtors and Debtors Write Off (reviewed)
- Annexure D10** Budget Implementation and Monitoring Policy (reviewed)
- Annexure D11** Municipal Entity Financial Support Policy (remains unchanged)
- Annexure D12** Accounting Policy (reviewed)
- Annexure D13** Electricity Metering for Residential and business Customers (reviewed)
- Annexure D14** Policy for the Vending of pre-paid electricity (remains unchanged)
- Annexure D15** Policy for Correction of Meter Reading and Billing Data (reviewed)
- Annexure D16** Electricity Tariff policy (reviewed)
- Annexure D17** Virement Policy (reviewed)
- Annexure D18** Consumer Agreement Policy (reviewed)
- Annexure D19** Supply Chain Management Policy (reviewed)
- Annexure D20** Treasury Policy (remains unchanged)
- Annexure D21** Allocation for Grants-in-Aid (reviewed)
- Annexure D22** Assets Management Policy (remains unchanged)
- Annexure D23** Cost Containment Policy (reviewed)
- Annexure D24** Policy for the wheeling of Electricity (new)
- Annexure D25** Policy guideline for Small-scale Embedded generation (reviewed)
- Annexure D26** Ekurhuleni Community Enterprise Development Fund Policy (new)

CONTENTS

1. BACKGROUND AND APPLICABLE LEGISLATION.....	2
2. QUALIFYING CRITERIA.....	2
3. METHODOLOGY	4
4. GENERAL	4

POLICY FOR THE WHEELING OF ELECTRICITY

1. BACKGROUND AND APPLICABLE LEGISLATION

1.1 The policy aims to guide the process of wheeling electrical energy (units) in/through the City grid (supply mains/distribution and/or reticulation network).

1.2 The following definitions apply in addition to those defined in the City electricity by-laws:

“**Banking**” means energy that is not immediately used by the end user when a contracted generator produces it.

“**City by-laws**” means the Electricity by-laws of the City as promulgated from time to time.

“**Customer**” and “**end user**” means consumer as defined in the City by-laws

“**Energy trader**” means a legal entity licensed by and registered with National Energy Regulator of South Africa (NERSA) to engage in the buying and selling of electricity (electrical energy) as a commercial activity;

Regulator of South Africa (NERSA) to engage in the production of electricity (electrical energy) through a unit or power station and/or a seller of electrical energy generated on its own premises by any means.

“**WEPS**” means Eskom wholesale electricity pricing system;

“**Wheeling**” means the transportation of electricity (electrical energy) by a generator or energy trader to a consumer through a network not owned, controlled or leased by either party and deals with the financial flow of electrical energy.

2. QUALIFYING CRITERIA

2.1 Only customers on the City Tariff D and Tariff J, connected at ≥ 6.6 kV with a notified maximum demand (NMD) of ≥ 1 MVA that have entered into a wheeling transaction with a generator or energy trader will qualify for wheeling.

- 2.2 Where a consumer with an existing wheeling agreement commence with a network access charge (NAC) value \geq 1MVA, and thereafter consumes less than 1 MVA, the NAC value will continue to be levied at a minimum of 1 MVA and the consumer shall remain on Tariff D or Tariff J in order to continue to qualify for wheeling.
- 2.3 Any wheeling agreement is subject to the City and the consumer entering into a written wheeling agreement and/or a written amendment of any existing consumer/supply agreement for wheeling whereupon Tariff G will in addition to the aforesaid tariffs apply.
- 2.4 The aforementioned agreement together with the City by-laws, policies and tariffs, will record the terms and conditions by which the consumer account will be adjusted with the wheeled energy as per Tariff G.
- 2.5 No wheeling agreement as aforesaid will come into effect prior to the City entering into an amendment agreement with Eskom in respect thereof if the generator is located outside the City's licensed area of supply/distribution.
- 2.6 The generator and energy trader must conclude a wheeling (use-of-system) agreement with Eskom or if the generator is located within the City's licensed area of supply/distribution, a connection and use-of-system agreement must be entered into by the generator and energy trader with the City;
- 2.7 The consumer must provide the City with a copy of the agreement entered into between the generator / energy trader and Eskom, and a copy of the agreement entered into between the generator / energy trader and the consumer.
- 2.8 The generator must meet all the SA Grid Code requirements before injecting energy into the South African power system, including technical, legal and contractual requirements.
- 2.9 The City will wheel electricity through the City grid (supply mains/distribution and/or reticulation network) from the point of delivery to the consumer metering point. The City shall provide, install and maintain four quadrant metering equipment at the costs of the consumer to measure the electricity at each metering point.
- 2.10 No wheeling agreement will be entered into with a consumer or connection and use-of-system agreement with the generator and energy trader if the network capacity of the City's grid (supply mains/distribution and/or reticulation network) and/or Eskom grid will be exceeded as a result thereof.

3. METHODOLOGY

RECONCILIATION OF ACCOUNTS FOR CITY CUSTOMERS RECEIVING ENERGY FROM NON-ESKOM GENERATORS:

- 3.1 The customer will receive their account as per the applicable approved City tariff.
- 3.2 Any credit due in respect of the wheeled electrical energy and in terms of the aforementioned agreements, shall be determined in accordance with the City's applicable tariff.
- 3.3 No credit for network capacity or demand will be allowed.
- 3.4 Any credit due to the consumer will only be effected after the City's account has been credited and no compensation of whatever nature will be allowed in respect of any delay.
- 3.5 No consumer's account will be credited in respect of wheeled energy in an amount exceeding the actual consumption by the consumer during the applicable consumption period.

4. GENERAL

- 4.1 The City does not guarantee a firm supply (inclusive of periods of load shedding) and cannot be held liable for any losses and/or damages whatsoever and howsoever incurred inclusive of but not limited to consequential damages, as a result of interruptions in the supply of electricity (electrical energy).
- 4.2 Where no wheeling has taken place, the City will be and/or will be deemed to be the supplier and the consumer will be billed in accordance with the City's applicable tariffs.
- 4.3 No banking of electrical energy and/or compensation in respect thereof will be allowed.
- 4.4 Specific circumstances, requiring a deviation from this policy may be considered by the Head of Department (HOD): Energy. Any deviation must be documented and approved in writing by the HOD: Energy, or the official delegated thereto by the City Manager.

