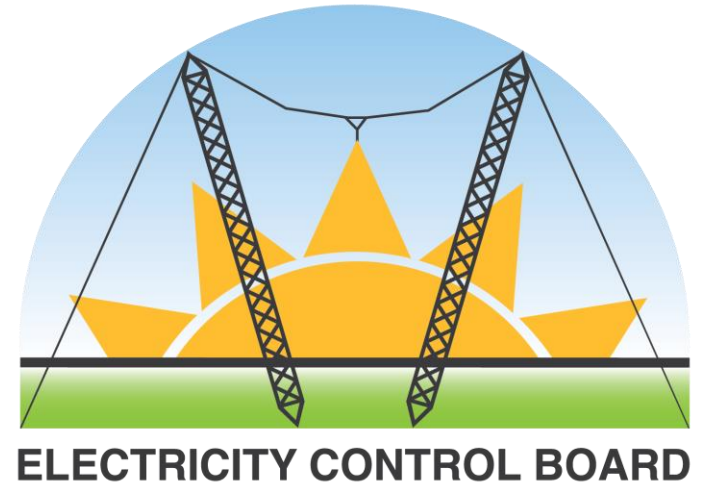


Regulatory Matters for 2024



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Swakopmund

Presentation Outline



1. Mandate
2. Core Regulatory Areas
3. Functions
4. Key Regulatory Instruments Under Review
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7. National TID Progress
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1. ECB - Mandate



- **Derived from the Electricity Act no 4, of 2007, Section 3 sub section (1)**
 - to exercise control over and regulate the provision, use and consumption of electricity in Namibia.
 - to oversee the efficient functioning and development of the electricity industry and security of electricity provision.
 - to ensure the efficient provision of electricity
 - to ensure a competitive environment in the electricity industry in Namibia with such restrictions as may be necessary for the security of electricity provision and other public interest
 - to promote private sector investment in the electricity industry
- **In accordance with prevailing Government Policies.**

2. Core Regulatory Area



Licensing

- Oversight and licensing of Generation, Transmission and Distribution infrastructure projects
- Issue, Amend, Transfer, Renew, Cancel licenses

Economic & Market Regulation

- Tariffs setting and approval
- Financial viability and sustainability of the ESI

Technical Regulation

- Ensure technical compliance of licensee
- Technical / Infrastructure Standards Setting
- Technical Compliance Audits and Inspections



3. Functions

- Must make recommendations to the Minister with regard to:
 - the issue, transfer, amendment, renewal, suspension and cancellation of licenses; and
 - the approval of the conditions on which electricity may be provided by a licensee
- May, and must at the request of the Minister, advise the Minister on any matter relating to the electricity industry;
- Approval of Tariffs;
- Mediation of disputes under the Act;
- May by notice in the Gazette make such rules and codes for the establishment, operation and administration of electricity markets, power system security and safety, network connections, metering, or any other matter it is authorised in terms of the Act.

4. Key Regulatory Instruments Under Review



- **Technical Rules**
 - Review nearing finalisation
 - Key stakeholders' engagement & workshop already conducted in 2023
 - Information sharing session with affected stakeholders took place on 19 February 2024
- **Distribution Grid Code**
 - Review in progress
- **Transmission Grid Code**
 - Review finalised
 - Awaiting Dx Grid Code Review for simultaneous promulgation
- **ESI Performance Framework**
 - Framework to monitor licensees' performance
 - Review in progress
- **Namibian Electrical Network Assets (NENA) Values**
 - Review in progress
 - Being renamed to Namibian Electrical Distribution Network Assets (NEDNA)

5. Key Regulatory Instruments Under Development (1/2)



- Development of Embedded Generation Standard
 - Development nearing finalisation
- Off-Grid
 - Regulations nearing finalisation
- Connection Code
 - Run concurrently with the Dx Code Review
 - To contain all sections in the Renewable Energy Grid Code
 - To further contain all connection issues from the Tx and Dx Grid Codes
- Electric Vehicles (EVs) Charging Infrastructure Framework
 - Development in progress
 - Webinar took place with stakeholders within the Road, Transportation, Training sectors and EV Promoters
 - Webinar also took place with ESI stakeholders
 - Stakeholders workshop targeted in May 2024

5. Key Regulatory Instruments Under Development (2/2)



- Transmission Network Connection Guidelines
 - Development in progress
 - Virtual targeted stakeholder workshop took place on 06 February 2024 between ECB, MME, NP & Consultant
 - Stakeholders' validation workshop scheduled for 19 March 2024
- Determination of appropriate After Diversity Maximum Demand (ADMD) for Namibia
 - To commence in April; ToRs being developed
 - Namibia is presently without own uniform ADMD parameters
- Consumer Education Campaign
 - Project in progress
 - Advert material placement in various media platform in progress.
 - Final detailed report on the Consumer Education finalised
- Wiring licensing
 - Amendment of the Regulations Relating to the Health and Safety of Employees at Work still to be Promulgated
 - To meet with all licensees to bring their requirements to assess possible harmonisation

6. Compliance Audits



- Technical Compliance Audits
 - Technical compliance audits will commence in May 2024.
 - Audits will be focused on licensees' maintenance efforts.
 - Letters sent out to licensees on 01 March 2024 requesting maintenance and electrification plans inclusive of at least 2021/22 to 2025/6 financial years not later than 29 March 2024.
 - Initiative aimed improve the regulator' visibility into licensees' maintenance and electrification efforts.
- Tariff Compliance Audits
 - To assess compliance with the tariff methodology and tariff rule book with regard to determining a licensee's tariffs and resulting revenues for a given FY
 - To assess how licensees are implementing the previous FY's approved tariffs

7. National TID Progress (1/6)



- On 24 November 2024, all prepaid meters based on Standard Transfer Specifications (STS) technology will stop dispensing electricity unless updated.
- TID rollover event information available on www.tidrollover.com
- National stakeholders' awareness workshop held in April 2023.
- Subsequently requested licensees to share readiness plans and progress reports towards the TID rollover event.
- Progress meeting held on 03 November 2023 where licensees reported on individual progress. The meeting further resolved all licensees to:
 - Target completing the TID rollover project by 31 July 2024 to allow 4 months of buffer time.
 - Provide monthly progress reports to the ECB to monitor progress.

7. National TID Progress (2/6)



Industry Progress to date is as follows:

Total Number of Licensees	31
Total Prepayment meters	321,523
Total Rolled Over	147,511
Percentage Rolled Over	45%
Licensees 100% done	3
Licensees above 50%	9
Licensees below 50%	8
Licensees yet to start	11

7. National TID Progress (3/6)



Progress (%) by REDs and NamPower Dx:

CENORED	54
Erongo RED	46
NORED	39
NamPower Dx	89

7. National TID Progress (4/6)



Progress (%) by Municipalities, TCs & OPE:

Aranos	100
City of Windhoek	56
Gobabis Municipality	0
Karasburg Town Council	58
Keetmanshoop Municipality	80
Luderitz Town Council	0
Mariental Municipality	95
Oranjemund Town Council	0
Rehoboth Town Council	80
OPE	33

7. National TID Progress (5/6)



Progress (%) by VCs, RCs and Estates

Aroab VC	0
Berseba VC	31
Bethanie VC	0
Finkenstein Estate	100
Gibeon VC	0
Gochas VC	13
Hardap RC	54
Kalkrand VC	0
//Karas RC	23
Koes VC	100
Leonardville	0
Maltahohe VC	0
RoshScor Township	27
Tses VC	73
Witvlei VC	94
Omeya Estate	0
Osona Estate	0

7. National TID Progress (6/6)



- Licensees urged to expedite!
- The ECB has issued two public notices to this effect published in the print media to sensitise licensees and to inform the public.
- Will continue issuing public notices and licensees are urged to do the same.
- The ECB will continue monitoring the TID rollover event closely for a possible remedial intervention.

8. EDI Summit Resolutions of 2023 (1/3)



- MME, MURD & ECB hosted an EDI Summit during 16-17 November 2023 in Windhoek.
- The objectives of the Summit were to:
 - Share experiences and challenges of the EDI Reform implementation;
 - Highlight the latest industry developments; and
 - Agree on the way forward in concluding the EDI Reform.
- Regional and international experiences were also shared.

8. EDI Summit Resolutions of 2023 (2/3)



The below were the key take-aways from the summit:

i. Preferred RED Model

- The two remaining REDs to be established with modifications
- Establish a distributor that has as its shareholders as City of Windhoek, Khomas Regional Council and NamPower Distribution in the central area and to have remaining LAs and RCs in the central area together with NamPower Distribution in the Omaheke Region, incorporated into CENORED.
- The establishment of //Au-ob RED to proceed. This will result in the existence of five REDs. NamPower distribution in the south will remain an island but its assets can later be transferred to //Au-ob RED.

ii. Irregular distribution of dividends by REDs

- Do away with dividends and incorporate the dividend compensation in the LA surcharges.

iii. Low electrification rates

- Reviewing of all license conditions for IPPs and existing Dx licenses to contribute to electrification (social responsibility).
- Implementation of the National Electrification Policy for funding electrification with specific funding from MME for townships and rural areas.

8. EDI Summit Resolutions of 2023 (3/3)



Key take-aways (continued)

- iv. MME to include proposal in the Cabinet submission to waive tax on REDs.
- v. Review shareholding structure in all REDs to ensure each LA and RC has its own shareholding.
- vi. NamPower should exit the EDI and focus on Generation, Transmission and Trading.
- vii. ECB to conduct a study that can allow all REDs to operate at 66kV to bring in efficiency and better supply.
- viii. ECB through license conditions to ensure that REDs comply to NamCode for good corporate governance starting with the introduction of independent non-executive board members amongst others.
- ix. All REDs to establish a Consumer Liaison Committee within their areas of jurisdiction.



9. Conclusion

- TID rollover to be taken more seriously than ever as the clock is ticking
 - Innovations don't have to be major developments in technology or new business models:
 - Small steps yield to great results
 - Enhances smooth regulation
 - Achievable through collective ESI collaboration
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ELECTRICITY CONTROL BOARD

THANK YOU