

National Assembly passes Electricity Regulation Amendment Bill

Mineral Resources and Energy Minister Gwede Mantashe says the Electricity Regulation Amendment (ERA) Bill will “radically transform the structure of the electricity sector” for the better.



Image source: Sergey Sukhanov – 123RF.com

The bill was passed through a majority in the National Assembly on Thursday.

The bill seeks to, amongst others:

- Provide for an open market platform that will allow for competitive electricity trading in South Africa.
- Make provision for the creation of the Transmission Systems Operator (TSO) to act as a wheeler and dealer of electricity.
- Strengthen the role of the National Energy Regulator of South Africa (Nersa) to include powers to license entities that will implement the competitive market and have regulatory oversight during transitioning to a competitive market.
- Introduce provisions on offences and penalties to address the theft and vandalism of electricity infrastructure.

In his written remarks for the debate of the adoption of the bill, Mantashe said the ERA Bill will have a positive impact on future generations.

“Notwithstanding the divergent views raised by the public on the introduction of a competitive market, the establishment of the TSO, and on offences and penalties for those who vandalise electricity infrastructure, we are of a firm view that the changes to the regulatory framework will radically transform the structure of the electricity sector for future generations,” his speech read.

The ERA Bill went through a rigorous parliamentary process including public consultation since its introduction to the house.

“In keeping with the Batho Pele Principles, the Bill went through extensive consultations ... including periods for public comments initiated by both the DMRE [Department of Mineral Resources and Energy] and Parliament. In addition, the Portfolio Committee on Mineral Resources and Energy (PCMRE) conducted physical public hearings on the ERA Bill in all provinces. We are buoyed by the overwhelming support for the amendments to the ERA Bill by the citizens of this country.

“Cognisant of the concerns raised by some members of this house regarding NERSA retaining the powers to ‘set and approve prices and tariffs’, we are in full support of the Portfolio Committee’s view that end-users need to be protected from possible price manipulation by market participants and therefore Nersa needs to retain the powers to intervene when necessary,” Mantashe said.

The Minister said the adoption of the Bill is “yet another significant milestone in the performance of the sixth administration”.

“We are, therefore, convinced that the adoption of this Bill will not only give effect to Eskom unbundling reforms, but it will also encourage private sector participation in the electricity industry and thus introduce competition in the industry,” he said.

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