



THE REPUBLIC OF UGANDA

**THE ELECTRICITY (ISOLATED  
GRID SYSTEMS) REGULATIONS, 2020.**

*Statutory Instrument No. 138*

STATUTORY INSTRUMENTS SUPPLEMENT

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STATUTORY INSTRUMENTS

2020 No. 138.

THE ELECTRICITY (ISOLATED GRID SYSTEMS) REGULATIONS,  
2020

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**STATUTORY INSTRUMENTS**

**2020 No. 138.**

**The Electricity (Isolated Grid Systems) Regulations, 2020**  
*(Under sections 10 (a) and (b), 51 (2), 113 (1) and 119 of the Electricity Act, Cap. 145)*

**IN EXERCISE** of the powers conferred upon the Electricity Regulatory Authority by section 119 of the Electricity Act, Cap. 145, these Regulations are made this 23<sup>rd</sup> day of October, 2020.

PART I—PRELIMINARY

**1. Title**

These Regulations may be cited as the Electricity (Isolated Grid Systems) Regulations, 2020.

**2. Application**

These Regulations apply—

- (a) to generating stations for commercial purposes with a generation capacity not exceeding 0.5 megawatts; and
- (b) to isolated grid systems where the generation capacity does not exceed 2 megawatts.

**3. Interpretation**

In these Regulations, unless the context otherwise requires—

“Act” means the Electricity Act, 1999, Cap. 145;

“authority” means the Electricity Regulatory Authority established under section 4 of the Act;

“authorised person” means a person appointed by a holder of a certificate of exemption in writing to carry out specified operational duties;

“holder of certificate of exemption” means a person authorised by the authority to construct, generate, operate and sale electricity from the isolated grid system whose generation capacity does not exceeding 2 megawatts;

“commercial purposes” means electricity that is generated with the primary objective of supporting commercial or industrial activities through captive power;

“consumer service agreement” means the agreement between a holder of a certificate of exemption and a consumer;

“generation capacity” means the licensed maximum-rated active electric power that the power plant can feed into the mini-grid distribution network for at least one-hour’s operational period at a power factor not less than 0.9, as rated by the manufacturer of the equipment;

“generating station” means any station for generating electricity, including any building and plant used for that purpose, the site of generating station and a site intended to be used for a generating station, but does not include a station for transforming, converting or distributing electrical energy;

“grid arrival” means the physical and technical interconnection and absorption of the isolated grid system to the main grid system;

“isolated grid system” means any isolated electricity supply system with its own power generation and distribution network, supplying electrical energy to consumers, and is not connected to the main grid;

“main grid” means the grid interconnected with the transmission facilities operated by the system operator;

“ready board” means a pre-wired installation in a box with an incomer earth leakage isolator, light point and socket outlets, well protected using miniature circuit breakers;

“Rural Electrification Agency” means the agency established under the Electricity (Establishment and Management of the Rural Electrification Fund) Instrument, 2001, S.I No. 75 of 2001.

PART II—REGISTRATION OF GENERATING STATION  
CONSTRUCTED, OWNED AND OPERATED FOR COMMERCIAL  
PURPOSES OF A CAPACITY NOT EXCEEDING 0.5 MEGAWATTS

**4. Application for registration**

(1) A developer or operator of a generating station not exceeding 0.5 megawatts for commercial purposes shall apply to the authority for registration using the form set out in Schedule 1 of these Regulations.

(2) The authority shall publish the application received under subregulation (1) in the Gazette or in at least one national newspaper of wide circulation inviting the public to make representations within the time specified in the notice.

(3) The authority may approve or reject the application for registration after taking into account—

- (a) the impact of the proposed project on the social, cultural and recreational life of the community;
- (b) the need to protect the environment and to conserve the natural resources;
- (c) land use and siting or route of the project;
- (d) the ability of the applicant to operate in a manner designed to protect the health and safety of the consumers of



electrical energy and other members of the public who would be affected by the operations of the applicant in accordance with the Electricity (Safety Code) Regulations, 2020;

- (e) the technical, economic and financial capacity of the applicant to render the service for which the registration is required;
- (f) energy efficiency;
- (g) any representations and objections made under subregulation (2); and
- (h) other public and private interests affected by the operation for which the registration is required.

(4) Where the authority grants the application, the authority shall issue a certificate of registration prescribed in Schedule 2 to these Regulations.

### PART III—CERTIFICATE OF EXEMPTION

#### 5. Exclusivity period for pre-feasibility

(1) A person who intends to develop an isolated grid system with a generation capacity not exceeding 2 megawatts shall undertake a feasibility study.

(2) The person referred to under subregulation (1) shall obtain a confirmation of exclusivity over the proposed site from the Rural Electrification Agency.

#### 6. Application for certificate of exemption

(1) A person who intends to develop or operate an isolated grid system of a generation capacity not exceeding 2 megawatts shall apply to the authority for an exemption from the requirement to hold a licence for the generation, distribution or sale of electricity using the form set out in Schedule 3 of these Regulations.

- (2) An application for an exemption under subregulation (1) shall—
- (a) state the legal status and financial capacity of the applicant;
  - (b) state the technical and economic description of the project including capacity, technology, storage, location and map of the power station and distribution network;
  - (c) describe how the project fits in the existing Grid Master Plan issued by the Rural Electrification Agency;
  - (d) be accompanied by a confirmation from the Rural Electrification Agency and a distribution licensee operating in the area, stating that the intended site—
    - (i) is appropriate for isolated grid system development in accordance with rural electrification planning; and
    - (ii) is not subject to site exclusivity by another person;
  - (e) state the impact of the project on private interests, including interests of affected land owners and holders of other rights;
  - (f) state the results of assessments, including environmental impact assessments and feasibility studies carried out in respect of the project;
  - (g) state the planned time of commencement and completion of the construction of the project;
  - (h) state the details of any other certificate of exemption or licence awarded to the applicant by the authority, if any;
  - (i) state the projected consumer connections, electricity demand forecast, revenues and expenses;
  - (j) give the information relating to the financing structure for the proposed project;

- (k) state the proposed tariff including financial justification for the proposal;
- (l) attach a sample of the consumer service agreement prescribed in Schedule 4 to these Regulations;
- (m) attach proof of payment of the prescribed application fees specified in the Electricity (Licence Fees) Regulations, 2003;
- (n) attach a tariff review form indicating the proposed tariffs specified under Schedule 5 of these Regulations;
- (o) give the information regarding the required permissions and approvals from other authorities including—
  - (i) a letter of support of the proposed isolated grid system from the Rural Electrification Agency; and
  - (ii) proof of the project approval from the National Environment Management Authority established under the National Environment Act, 2019; and
- (p) state the expected operating hours for power supply.

(3) Where the authority considers it necessary for the applicant to submit missing or additional information in respect of the application, the authority shall notify the applicant to submit the information within a period specified in the notice.

(4) The authority shall request for the additional information referred to in subregulation (3) within thirty days from the date of receipt of the application.

(5) The authority shall, within fourteen days of receipt of a complete application, publish a notice of the application in the Gazette or in at least one newspaper of wide circulation in the region of the proposed isolated grid system.

- (6) A notice published under subregulation (5) shall—
  - (a) describe the nature and location of the proposed project;
  - (b) inform the public that the application may, within the limits of commercial confidentiality, be inspected at the offices of the authority, the local council offices, or other place as may be determined by the authority;
  - (c) invite directly affected local community and local authorities in areas affected by the project to submit to the authority representations or objections in respect of the application within thirty days.

(7) The authority may forward any objections or representations received under subregulation (6) to the applicant for a response.

(8) The authority shall determine the application for a certificate of exemption within ninety days from the date of receipt of a complete application.

- (9) The authority may either—
  - (a) approve the application for certificate of exemption; or
  - (b) reject the application for a certificate of exemption.

(10) Where the authority rejects an application for exemption, the authority shall give reasons for the rejection in writing to the applicant.

(11) A person may submit one application for multiple isolated grid systems within the same geographical location provided the total generation capacity of all isolated grid systems in the application do not exceed 2 megawatts.

(12) Where an applicant applies for multiple isolated grid systems under subregulation (11)—

- (a) the information applicable to all multiple isolated grid system shall be submitted once; and
- (b) unique or different information between systems, including, system design characteristics, community agreements and tariff information shall be submitted for each isolated grid system.

(13) Where the applicant submits a single application in respect of multiple isolated grid systems, the applicant shall submit all information required under these Regulations for each isolated grid system.

(14) For the avoidance of doubt, a person may apply for and be granted more than one certificate of exemption from the requirement to hold a licence for the generation, distribution or sale of electricity where the cumulative generation capacity applied for under each respective application does not exceed 2 megawatts.

(15) Notwithstanding subregulation (1), the authority may, through a fair, open and competitive process in accordance with procedures prescribed by the authority or any other law, invite applications for a certificate of exemption.

#### **7. Duration of certificate of exemption**

- (1) The certificate of exemption shall lapse where—
  - (a) the term specified in the certificate of exemption expires;
  - (b) the isolated grid system interconnects to the main grid; or
  - (c) the installed generation capacity of the isolated grid system is upgraded to a capacity exceeding two megawatts.

(2) A holder of a certificate of exemption who intends to upgrade the generation capacity of an isolated grid system to a capacity exceeding two megawatts shall apply to the authority for a licence under the Act, six months prior to the expected upgrade.

(3) The authority shall consider the application for a licence under subregulation (2) in accordance with the Act and the Electricity (Application for Permit, Licence and Tariff Review) Regulations, 2007.

#### **8. Obligations of holder of certificate of exemption**

A holder of a certificate of exemption, shall—

- (a) construct, operate and maintain the authorised isolated grid system in accordance with the applicable laws, regulations, terms and conditions of the certificate of exemption, directions of the authority, guidelines, standards and technical codes issued by the authority;
- (b) comply with the environmental requirements prescribed under the National Environment Act, 2019;
- (c) protect the safety of consumers and the public in operating the system; and
- (d) comply with the terms and conditions outlined in the consumer service agreement approved by the authority under these Regulations.

#### **9. Revocation of certificate of exemption**

(1) The authority may revoke a certificate of exemption where it is satisfied that the holder of a certificate of exemption is not operating in accordance with regulation 8 if the breach—

- (a) inflicts significant damage on public or private interests affected by the breach;
- (b) lasts for a considerable period of time;
- (c) takes place repeatedly; or
- (d) causes the authority to have strong reasons to believe that the holder of a certificate of exemption may not be able to fulfil his or her obligations under the certificate of exemption, these Regulations or the Act.



(2) The authority shall, prior to revocation of the certificate of exemption under subregulation (1), give the holder of a certificate of exemption a thirty days notice to show cause why the certificate of exemption should not be revoked and the notice shall be published in the Gazette and in one or more newspapers circulating in the area where the breach occurred.

- (3) A notice under subsection (2) shall set out—
- (a) the relevant condition of the certificate of exemption or the requirement of the Act or regulation to which the breach is related;
  - (b) the acts, omissions or other facts which, in the authority's opinion, constitute a contravention of the condition, Act or regulation, and the reasons why the authority is of the opinion that any of the circumstances mentioned under subregulation (1) exists; and
  - (c) the period not being less than twenty-eight days from the date of issuing of the notice within which representations or objections may be made by the holder of a certificate of exemption.

(4) A decision made by the authority to revoke a certificate of exemption after considering all representations and objections received under this regulation and other relevant factors may be appealed by the holder of the revoked certificate of exemption to the Electricity Disputes Tribunal within thirty days after receipt of the decision of the authority.

(5) Where a certificate of exemption is revoked, the authority shall take such action as is necessary to ensure that the supply of service to consumers is not unduly interrupted as a result of the revocation.

#### **10. Relinquishment of certificate of exemption**

(1) A holder of a certificate of exemption may relinquish the certificate of exemption by giving the authority at least five months written notice of its intention to relinquish the certificate of exemption.

(2) Where a holder of a certificate of exemption relinquish the certificate of exemption, the authority may require the holder of the certificate to continue operating the distribution facility until an operator of last resort or a new operator takes over or the facility is transferred to the Government of Uganda or its nominee as may be directed by the authority.

### **PART IV—TECHNICAL FRAMEWORK**

#### **11. Design, installation, operation and maintenance**

The holder of a certificate of exemption shall adhere to the technical codes and standards for design, construction, operation and maintenance, including the Distribution Line Construction Guidelines, 2017.

#### **12. Safety**

(1) A holder of a certificate of exemption shall comply with the Electricity (Safety Code) Regulations, 2020.

(2) For the avoidance of doubt, the holder of a certificate of exemption shall—

- (a) provide periodic information and training to its employees concerning generation and distribution assets, relevant operational rules and relevant safety documents;
- (b) identify which staff are likely to be exposed to danger by operations or works of the holder of a certificate of exemption and define the responsibilities of each staff member;
- (c) report all electrical accidents to the authorised person designated in accordance with the Electricity (Safety Code) Regulations, 2020;
- (d) provide safety equipment and protective clothing to staff;
- (e) define safety procedures for staff when carrying out work without isolation or earthing;



- (f) prescribe the required documentation to be completed before and after work is performed; and
- (g) conduct safety awareness information sessions or trainings for all consumers, to teach and demonstrate the ways of using electricity safely at least every three months or as may be directed by the authority.

### **13. Metering**

(1) A holder of a certificate of exemption shall use calibrated energy meters or current limiting devices in order to measure the energy use of a consumer or to limit the current drawn.

(2) Energy meters shall comply with the metering requirements prescribed under the Electricity (Quality of Service Code) Regulations, 2020 and the Weights and Measures (Electricity Meters) Rules, 2015.

### **14. Internal connections**

(1) A holder of a certificate of exemption may use ready boards for internal connections, instead of conventional house installation or wiring.

(2) Where ready boards are used, the installation shall comply with the standards and guidelines issued by the authority including the Electricity (Design, Manufacture, Installation and Use of Portable Low Voltage Single Phase Ready Boards) Guidelines, 2017.

### **15. Power quality**

(1) A holder of a certificate of exemption shall comply with the minimum power quality specifications of voltage level 240V/415V,  $\pm 10\%$  and frequency of  $47.5 \text{ Hz} < f < 52.5 \text{ Hz}$ .

(2) A holder of a certificate of exemption shall document, at the time of commissioning of the isolated grid system, the performance in relation to the specifications referred to in subregulation (1) and maintain records of performance of the system.

(3) The holder of a certificate of exemption shall submit to the authority the records kept under subregulation (2) at least once a year.

### **16. Service quality and availability**

(1) A holder of a certificate of exemption shall, in the event of unexpected power outage affecting one or more consumers, respond and restore power within the time specified in the certificate of exemption and in any case not later than 24 hours.

(2) Where the holder of a certificate of exemption is not able to restore power within the time referred to in subregulation (1), the holder of a certificate of exemption shall notify the authority.

(3) A holder of a certificate of exemption shall comply with the reliability of supply prescribed under the Electricity (Quality of Service Code) Regulations, 2020.

### **17. Consumer management practices**

(1) A holder of a certificate of exemption shall submit a sample consumer service agreement to the authority for approval.

(2) The agreement referred to in subregulation (1) shall include all the relevant clauses affecting the provision of electricity to the consumer, as well as a specific clause on dispute settlement between the holder of a certificate of exemption and its consumers as specified in Schedule 5 to these Regulations.

(3) A holder of a certificate of exemption shall connect new consumers within reach of the isolated grid distribution network within the time prescribed under the Electricity (Primary Grid Code) Regulations, 2003 and the Electricity (Quality of Service Code) Regulations, 2020.

## **PART V—TARIFFS**

### **18. Determination of tariffs**

A holder of a certificate of exemption shall obtain approval of the retail tariffs from the authority.

## 19. Tariff computation

(1) The tariff structure implemented by a holder of a certificate of exemption shall be computed in accordance with the principles of tariff computation under the Act, taking into consideration the following—

- (a) operation and maintenance costs;
- (b) capital recovery;
- (c) interest expenses;
- (d) taxes;
- (e) subsidies or grants received;
- (f) reasonable return on equity that reflects risks faced by a holder of a certificate of exemption; and
- (g) any other costs approved by the authority.

(2) The revenue requirement for a holder of a certificate of exemption shall be adjusted to take into account the subsidies or grants received from the Government of Uganda or the Rural Electrification Agency.

## 20. Tariff structure

An applicant for a holder of certificate of exemption may propose different retail tariffs for different consumer categories taking into consideration—

- (a) the place and time of supply;
- (b) the quantity of electricity supplied;
- (c) the load and power factor of the consumers;
- (d) the purpose for which supply is taken; and
- (e) the ability of the consumers to pay.

## 21. Application for approval of tariff

(1) An application for a certificate of exemption shall be accompanied by a tariff review form prescribed in Schedule 5 of these Regulations.

(2) An applicant for a certificate of exemption may submit one or multiple tariff review forms for the isolated grid systems.

(3) A tariff review form under these Regulations shall be accompanied by—

- (a) a consultation report of the proposed tariff discussed with the affected community; and
- (b) a sample consumer service agreement between the isolated grid developer and consumer prescribed in Schedule 4 of these Regulations.

## 22. Tariff adjustments and review

(1) A holder of a certificate of exemption may apply to the authority for a tariff adjustment using the form set out in Schedule 5 of the Regulations and in accordance with the terms and conditions of the certificate of exemption.

(2) The application for tariff adjustment under subregulation (1) shall be as a result of a change in the following—

- (a) inflation;
- (b) exchange rate;
- (c) fuel price fluctuation;
- (d) energy demand; or
- (e) any costs approved by the authority.

(3) An application for tariff adjustment under this regulation shall be accompanied by evidence to justify the proposed adjustment.

(4) The authority shall make a decision in respect of the tariff adjustment within forty-five days of receipt of a complete application.

**23. Exclusivity and notice to a holder of a certificate of exemption**

(1) A holder of a certificate of exemption shall have exclusive rights to undertake the authorised activity in the isolated grid service area approved by the authority, in accordance with the Act and terms and conditions of the certificate.

(2) The Rural Electrification Agency or the distribution licensee operating in the area referred to in subregulation (1) shall give at least six months notice to a holder of certificate of exemption before extension of the main grid into the isolated grid service area.

**24. Options on interconnection with main grid**

(1) Where the main grid system is extended to an isolated grid service territory, the holder of a certificate of exemption may—

- (a) apply for a generation and distribution licence in accordance with the Act, to generate electricity from the isolated grid generation plant and distribute electricity to the existing isolated grid consumers;
- (b) apply for a generation licence in accordance with the Act, to generate and sell to the main grid; or
- (c) issue a notice to the authority to surrender the certificate of exemption and terminate the interest in the certificate, in accordance with the terms and conditions of the certificate of exemption.

(2) Where the main grid system is extended under subregulation (1) the affected holder of a certificate of exemption shall be entitled to compensation based on a methodology prescribed in Schedule 6 to these Regulations.

(3) The compensation referred to in subregulation (2) shall be paid by the Ministry responsible for electricity to the isolated grid operator.

**25. Record keeping and reporting**

(1) A holder of a certificate of exemption shall maintain records of the activity authorised under the certificate.

(2) The records referred to in subregulation (1) shall describe the legal, technical, financial, hydrological or environmental issues and any other relevant information relating to the operation of the isolated grid system.

(3) A holder of a certificate of exemption shall submit a report to the authority on the occurrence of the following—

- (a) a change in the approved generation capacity;
- (b) a change in the governance structure;
- (c) any event that affects or is likely to affect the operation of the generating station;
- (d) any event that affects or is likely to affect the safety of persons within the generation station; and
- (e) any event that affects or is likely to affect the environment or health conditions at the generation station.

(4) A holder of a certificate of exemption shall on an annual basis, submit to the authority information in relation to the isolated grid system using the reporting format in Schedule 7 to these Regulations.

(5) A holder of a certificate of exemption shall immediately notify the authority of any event that affects the operation of the isolated grid system, in any event not later than fourteen days from the date the event occurs.

(6) A holder of a certificate of exemption shall grant the authority and its authorised representatives access to information to fulfill the functions of the authority under the Act and these Regulations.



**26. Modification of certificate of exemption by the authority**

(1) The authority may modify the terms and conditions of a certificate of exemption if the benefits of the public interest of the modification significantly exceed the disadvantages to the holder of the certificate of exemption.

(2) The authority shall, before making modification under subregulation (1), give notice to the holder of the certificate of exemption—

- (a) stating that it intends to make the modification and setting out the effect of the proposed modification;
- (b) stating the reasons for the modification and why it is of the opinion that the reasons for modification under subregulation (1) are fulfilled; and
- (c) specifying the period, not being less than thirty days from the date of receipt of the notice by the holder of certificate of exemption within which representations or objections to the modification may be made.

(3) The authority shall take into account all representations and objections received under subregulation (2)(c) before notifying the holder of a certificate of exemption of its decision to—

- (a) modify the certificate of exemption as intended;
- (b) vary the intended modification; or
- (c) withdraw the intended modification.

(4) Where the holder of a certificate of exemption is aggrieved by the decision of the authority, the holder of the certificate of exemption may, within twenty-eight days after receipt of a notice of the decision under subregulation (3), appeal to the Electricity Disputes Tribunal established under the Act.

(5) The authority shall, following an appeal to the Electricity Disputes Tribunal under subregulation (4) and, taking into account the decision of the Tribunal—

- (a) modify the certificate of exemption;
- (b) vary the intended modification; or
- (c) withdraw the proposed modification.

(6) The modification of a certificate of exemption by the authority shall be effected by—

- (a) serving a notice of the modification in question on the holder of certificate of exemption; and
- (b) publishing the notice in the *Gazette* or such a manner as the authority considers appropriate for the purpose of bringing the notice to the attention of the public.

**27. Application for modification by a holder of certificate of exemption**

(1) Where, in the opinion of a holder of certificate of exemption, a condition of a certificate of exemption has become unduly onerous and is impacting on its ability to fulfill the obligations under the certificate of exemption, it may apply, in writing, to the authority requesting that the certificate of exemption be modified, setting out—

- (a) the provision of the certificate of exemption that requires modification;
- (b) the reason why either that condition has become unduly onerous or how circumstances have changed, rendering that condition unduly onerous;
- (c) the proposed modification; and
- (d) any other evidence in support of the application.



(2) The authority may modify a certificate of exemption under this regulation only if a condition of the certificate of exemption has become unduly onerous and is significantly impacting on the ability of the holder of a certificate of exemption to fulfill the obligations under the certificate of exemption.

(3) The authority shall, on receipt of the application, review the application and communicate its opinion to the holder of certificate of exemption within thirty days of receipt of the application.

(4) The authority may make a decision to—

- (a) approve the application for modification of the certificate of exemption;
- (a) make modifications different from those stated in the application;
- (b) require further information from the holder of certificate of exemption before making its decision; or
- (c) reject the application to modify the certificate of exemption, and any such refusal shall be accompanied by a written report stating the reasons for the refusal.

(5) Where the authority approves the application under subregulation (4)(a) and(b), the authority shall publish a notice of intention to modify the certificate of exemption in such manner as the authority considers appropriate for the purpose of bringing the notice to the attention of the public.

(6) The notice referred to in subregulation (5) shall invite the public to make representations or objections to the proposed modification within thirty days.

(7) Where no representations or objections are made under subregulation (6), the modification of the certificate of exemption shall be effected.

(8) Where representations or objections are made, the authority may request further information from the holder of a certificate of exemption; and within thirty days after receiving the required information, the authority shall make a decision.

(9) The holder of certificate of exemption shall have a right to appeal to the Electricity Disputes Tribunal against a decision of the authority made under this regulation.

PART IX—MISCELLANEOUS

**28. Revocation of S.I. No. 22 of 2007 and savings**

(1) The Electricity (Licence Exemption) (Isolated Grid Systems) Order, 2007 S.I. No. 22 of 2007 are revoked.

(2) On commencement of these Regulations, any existing certificate of exemption issued under the Regulations revoked under subregulation (1) shall continue in existence subject to these Regulations.

(3) A holder of a certificate of exemption existing prior to the coming into force of these Regulations, shall within twelve months of coming into force of these Regulations, comply with the requirements of these Regulations.

(4) For the avoidance of doubt, all existing generating stations referred to under regulation 4 shall apply to be registered within six months from the date of commencement of these Regulations.

**SCHEDULES**

**SCHEDULE 1**

*Regulation 4(1)*

**APPLICATION FOR REGISTRATION OF GENERATION STATION FOR COMMERCIAL PURPOSES OF A CAPACITY NOT EXCEEDING 0.5 MEGAWATTS**

**1.0 PARTICULARS OF APPLICANT AND CONTACT PERSON**

Name of applicant: \_\_\_\_\_

Physical address: \_\_\_\_\_

Postal address: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

Mobile phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

TIN: \_\_\_\_\_

Website address: \_\_\_\_\_

Name of contact person: \_\_\_\_\_

Mobile phone of contact person: \_\_\_\_\_

E-mail for contact person: \_\_\_\_\_

**2.0 LEGAL STATUS OF APPLICANT**

Indicate legal status of applicant (check relevant option)

- Sole proprietorship
- Partnership
- Public limited liability company
- Private limited liability company
- Cooperative society
- Incorporated trustee
- Other (please specify)

*(Attach certificate of registration, certificate of incorporation, memorandum and articles of association, deed of partnership, deed of trust, as applicable)*

**3.0 NATURE OF APPLICATION**

3.1 State whether application is a new application or renewal

- new application
- renewal

3.2 Existing certificate of registration

Does the applicant have an existing certificate of registration issued by the authority for other systems?

- Yes
- No

3.3 If yes, state the nature of the certificate of registration issued, and the certificate of registration number.

3.4 Refusal, suspension or cancellation of certificate of registration

Has the applicant ever been refused a certificate of registration or had its certificate of registration been suspended or cancelled by the authority?

- Yes
- No

3.5 If yes, give details of the refusal, suspension or cancellation.

**4.0 MAIN BUSINESS ACTIVITIES OF APPLICANT**

Please indicate the main business activities the applicant is currently engaged in (add additional information if needed).

**5.0 DESCRIPTION OF PROJECT**

5.1 Site of the generating station (village, sub-county and district):

\_\_\_\_\_  
\_\_\_\_\_

*(Attach title document to the land, relevant maps showing the planned generation facility and drawings as appropriate)*

5.2 Generation (Expected):

	Type of system	Rated Size (kW)	Equipment Specifications Add additional lines if needed or specify if multiple similar units are being planned
<b>Generation</b>	• Solar		Make: Maximum output (kW): Annual generation (kWh/year):
	• Wind		Make: Maximum output: Annual generation:
	• Biomass		Make: Maximum output (kW): Annual generation (kWh/year):
	• Hydro		Make: Maximum output (kW): Annual generation (kWh/year):
	• Fuel generator (Diesel or other)		Make: Fuel type: Maximum output (kW): Annual generation (kWh/year):
	• Other (state):		Make: Maximum output (kW): Annual generation (kWh/year):
	<b>TOTAL:</b>		
	• Storage		Make: Technology/Chemistry: Maximum output (kW): Capacity (kWh):
	• Inverters		Make: Maximum Output (kW):

5.3 Location of the generating station (Global Positioning System Coordinates): \_\_\_\_\_

5.4 State number of years the plant has been in operation: \_\_\_\_\_

5.5 Expected annual production:

MIN \_\_\_\_\_ kWh

MAX \_\_\_\_\_ kWh

5.6 Rated power: \_\_\_\_\_ kW

5.7 Rated frequency \_\_\_\_\_ Hz

5.8 Rated power factor \_\_\_\_\_

5.9 Nominal Connection Voltage: \_\_\_\_\_

5.10 Construction:

Date of commencement: \_\_\_\_\_

Date of completion: \_\_\_\_\_

5.11 Date of commencement of operation: \_\_\_\_\_

5.12 Total project development costs \_\_\_\_\_ UGX

5.13 Annual operation and maintenance costs \_\_\_\_\_ UGX

5.14 Source of financing \_\_\_\_\_ UGX

5.15 Specify the commercial purpose being served through the electrical energy from the generating station (provide entries for each registered commercial entity):

i. Name of Commercial entity: \_\_\_\_\_

ii. Estimated demand (kW) and kWh/year: \_\_\_\_\_

iii. Address: \_\_\_\_\_

iv. Nature of business: \_\_\_\_\_

v. Contact name: \_\_\_\_\_

vi. Contact title: \_\_\_\_\_

vii. Contact phone number: \_\_\_\_\_

viii. Contact Email: \_\_\_\_\_

**6. DECLARATION BY THE APPLICANT**

I/we hereby declare that the information stated above is, to the best of my/our knowledge, true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**SIGNATURE OF APPLICANT**

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

**7. ACCOMPANYING DOCUMENTATION**

*Please submit three (3) hard copies and one (1) electronic copy (on flash disk or CD-ROM) of all supporting documentation:*

- *Accompanying documents:*
  - *Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership, Deed of Trust, as applicable*
  - *Land title or other evidence of interest in land, relevant maps and drawings (if appropriate)*
  - *Certified copy of Building Permit*
- *All necessary approvals from other Government agencies including—*
  - *Environment assessment certificates from the National Environment Management Authority in accordance with the National Environment Act, 2019*
  - *For hydropower projects—*
    - *Authorisation from the National Environment Management Authority in accordance with the National Environment (Wetlands, Riverbanks and Lakeshores) Regulations, 2000*
    - *Surface Water Permit or Abstraction Permit from the Department of Water Resources Management*

under the Water Act, Cap. 152 and the Water (Water Resources) Regulations, S.I. No. 152-1.

- Construction Permit from the Department of Water Resources Management under the Water Act and Water (Water Resources) Regulations SI No. 152-1.
- Letter of Support:
  - Commercial entities being served by the generating station
  - Landowner agreements (titles/lease for use of land/river)
  - Any other letters of support the applicant deems necessary

**NOTES—**

*Your Registration Form is incomplete unless all required documents are submitted.*

*The authority reserves the right to verify the accuracy of this information.*

*Submit three (3) hard copies and one (1) electronic copy of this application and all supporting documents to—*

Electricity Regulatory Authority  
 ERA House  
 Plot 15, Shimoni Road, Nakasero  
 P. O. Box 10332, Kampala  
 Tel: +256 414 341852/0392 260166 Fax: +256 414 341624  
 Web: [www.era.or.ug](http://www.era.or.ug) Email: [info@era.or.ug](mailto:info@era.or.ug)

An electronic copy may be submitted by mail on flash disk or CD-ROM.

<b>For official use only</b>	
Date Received:	Docket Number:
Time Received:	Received by:



CERTIFICATE OF REGISTRATION

CERTIFICATE NUMBER: ERA/COR/020/177

EFFECTIVE DATE: .....

CERTIFICATE HOLDER: .....

In exercise of the powers conferred to the authority under sections 10 (a) and (b), and 51(2) of the Electricity Act, 1999 (the 'Act') and Regulation 4(1) of the Electricity (Isolated Grid Systems) Regulations 2020, this Certificate of registration is issued this .....day of.....20.....to ..... (name of certificate holder) for generation, distribution and sale of electricity from the proposed .....kw .....located at .....(insert village, sub county and District).

This Certificate is valid for ..... years or until expiry or is revoked in accordance with the terms and conditions of the certificate of registration, the Act and Regulations.

This certificate is subject to the terms and conditions attached to this certificate and—

- (a) any modifications subsequently made by the authority under the provisions of the Act, the regulations and the certificate of registration; and,
(b) any directives, guidelines, tariff structures and rates issued by the authority in accordance with the Act and regulations.

Signed -

.....
Chairperson Member of Authority Chief Executive officer

APPLICATION FOR CERTIFICATE OF EXEMPTION FOR ISOLATED GRID SYSTEMS OF A CAPACITY NOT EXCEEDING 2 MEGA WATTS

1.0 PARTICULARS OF APPLICANT AND CONTACT PERSON

Name of applicant: .....

Physical address: .....

Postal address: .....

Tel: .....

Fax: .....

Mobile phone: .....

E-mail: .....

TIN.: .....

Website address: .....

Name of contact person: .....

Physical address of contact person: .....

Postal address of contact person: .....

Telephone number of contact person: .....

Mobile phone of contact person: .....

E-mail for contact person: .....

2.0 LEGAL STATUS OF APPLICANT

Indicate legal status of applicant (Tick relevant option)

- Sole proprietorship
• Partnership
• Public limited liability company

- Private limited liability company
- Cooperative society
- Incorporated trustee
- Other (please specify)

*(Attach Certificate of Registration, Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership, Deed of Trust, as applicable)*

**3.0 DETAILS OF THE DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) OF THE APPLICANT**

- I. Name of director/CEO : \_\_\_\_\_
- II. Postal address: \_\_\_\_\_
- III. Telephone: \_\_\_\_\_
- IV. Email: \_\_\_\_\_

**4.0 NATURE OF APPLICATION**

4.1 State whether application is a new application or renewal

- New Application
- Renewal

4.2 Refusal, Suspension or Cancellation of Certificate of Exemption

Has the applicant ever been refused a Certificate of Exemption or had its Certificate of Exemption suspended or cancelled by the authority?

- Yes
- No

4.3 If yes, give details of the refusal, suspension, or cancellation.

**5.0 MAIN BUSINESS ACTIVITIES OF APPLICANT**

Please indicate the main business activities the applicant is currently engaged in (add additional pages if needed):

**6.0 DESCRIPTION OF PROJECT**

6.1 Name of project: \_\_\_\_\_

6.2 Proposed period of exemption (years): \_\_\_\_\_

6.3 Please provide a detailed description of the project (add additional pages if needed):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6.4 Specify whether the project is comprised of multiple isolated grid systems?

Yes, how many individual isolated grid systems will fall under this application: \_\_\_\_\_

No

If yes, please provide the following information for each isolated grid system using a consistent reference (i.e. 6.5a for the first system, 6.5b for the second).

*Note: Information applicable to all multiple isolated grid system shall be submitted once. Unique or different information between systems, including, system design characteristics, community agreements and tariff information shall be submitted for each individual system*

6.5 Site of the isolated grid system (village(s), sub-county and district):

6.5 (a) \_\_\_\_\_

6.5 (b) (if applicable) \_\_\_\_\_

6.5 (c) (if applicable) \_\_\_\_\_

*(Attach evidence of ownership of the land)*

6.6 Expected generation capacity \_\_\_\_\_

6.7 If multiple generating units are planned, indicate the number or add additional rows in the table if required

			<b>Type of system</b>	<b>Rated Size (kW)</b>	<b>Equipment Specifications</b> Add additional lines if needed or specify if multiple similar units are being planned
<b>Generation</b>	<input checked="" type="checkbox"/>	Solar		Manufacturer/Make: Maximum output (kW): Annual generation (kWh/year):	
	<input checked="" type="checkbox"/>	Wind		Manufacturer/Make: Maximum output: Annual generation (kWh/year):	
	<input checked="" type="checkbox"/>	Biomass		Manufacturer/Make: Maximum output (kW): Annual generation (kWh/year):	
	<input checked="" type="checkbox"/>	Hydro		Manufacturer/Make: Maximum output (kW): Annual generation (kWh/year):	
	<input checked="" type="checkbox"/>	Generator set (diesel or other)		Manufacturer/Make: Fuel type: Maximum output (kW): Annual generation (kWh/year):	
	<input checked="" type="checkbox"/>	Other (state): _____		Manufacturer/Make: Maximum output (kW): Annual generation (kWh/year):	
		<b>TOTAL:</b>			

	<b>Type of system</b>	<b>Rated Size (kW)</b>	<b>Equipment Specifications</b> Add additional lines if needed or specify if multiple similar units are being planned
<input checked="" type="checkbox"/>	Storage		Manufacturer/Make: Technology/Chemistry: Maximum output (kW): Capacity (kWh):
<input checked="" type="checkbox"/>	Inverters		Manufacturer/Make: Maximum Output (kW):

6.8 Location of the isolated grid system (geographical coordinates): \_\_\_\_\_

6.9 Is the isolated grid system new? If no, please state number of years the plant has been in operation: \_\_\_\_\_

6.10 Expected annual production:

Minimum \_\_\_\_\_ kWh

Maximum \_\_\_\_\_ kWh

6.10 Rated system power: \_\_\_\_\_ kW

6.11 Average hours of operation (daily): \_\_\_\_\_  
(If less than 24hours, detail a typical service availability schedule).

6.12 Distribution

	Type of system	Size of system
<b>Lines</b>	<input checked="" type="checkbox"/> Single phase MV	_____ meters
	<input checked="" type="checkbox"/> Three-phase MV	_____ meters
	<input checked="" type="checkbox"/> Single phase LV	_____ meters
	<input checked="" type="checkbox"/> Three-phase LV	Total: _____ meters
<b>Type of Lines</b>	<input checked="" type="checkbox"/> Overhead	
	<input checked="" type="checkbox"/> Underground	
<b>Poles</b>	<input checked="" type="checkbox"/> Cement	_____ Poles
	<input checked="" type="checkbox"/> Wood	_____ Poles
	<input checked="" type="checkbox"/> <i>Other (state):</i>	_____ Poles
<b>Transformers</b>	No. _____ Rating (kW) _____ Make _____	
	No. _____ Rating (kW) _____ Make _____	

Description of distribution network (indicate geographical coordinates of four reference points, general length, or other important features):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6.13 Expected number of consumers:

- i. Residential: \_\_\_\_\_
- ii. Commercial: \_\_\_\_\_
- iii. Industrial: \_\_\_\_\_
- iv. Special (Governmental): \_\_\_\_\_

6.14. Summary of revenue and sources of funding

- i. Expected electricity sales by customer category

- o Residential [kWh/year]: \_\_\_\_\_
- o Commercial [kWh/year]: \_\_\_\_\_
- o Industrial [kWh/year]: \_\_\_\_\_
- o Special (Governmental) [kWh/year]: \_\_\_\_\_

ii. Electricity tariff [UGX shillings/kWh or flat rate per W]: \_\_\_\_\_

(if multiple rates or another tariff model is planned, provide the expected rate schedule or a description of the tariff model)

i. Capital contribution (specify foreign or local): \_\_\_\_\_

ii. Loan capital (specify source and provide evidence): \_\_\_\_\_

iii. Others (specify): \_\_\_\_\_

iv. Project Internal Rate of Return: \_\_\_\_\_

## 7.0 BANKERS AND FINANCIAL REFERENCES

I. In Uganda: \_\_\_\_\_

II. Outside Uganda: \_\_\_\_\_

## 8.0 DECLARATION BY THE APPLICANT

I/we hereby declare that the information stated above is, to the best of my/our knowledge, true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

SIGNATURE OF APPLICANT

Name: \_\_\_\_\_



Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**9.0 ACCOMPANYING DOCUMENTATION**

Please submit three (3) hard copies and one (1) electronic copy (on flash drive or CD-ROM) of all supporting documents, including-

1. Certified copy of Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership or Deed of Trust, as applicable.
2. For each isolated grid system, please submit:
  - Power station layout drawings
  - Map with position of power station and distribution network marked using indicators to distinguish single phase and three phase as well as medium voltage networks
  - Feasibility study
  - Business plan
  - Tariff Review Form
  - Certified copy of certificate of title or lease agreement for the project site
  - Certified copy of Building Permit
  - Tariff Application Table as shown in the table below:

Year	1	2	3	4	5	6	7	8	9	10
Number of consumers (#)										
Total rated capacity of power system (kW)										
Expected load growth (%)										
Expected revenue from electricity sale										

Expected other revenue										
Estimated capital cost (actual or loan payment)										
Expected fixed maintenance costs										
Expected variable maintenance costs										
Estimated fuel Cost										
Estimated O&M Cost										
Estimated Replacement Cost										
Other cost (Please specify)										
Annual Profit/Loss										

Ugandan Shillings (UGX Sh)

Description of intended tariff scheme and service availability:

Tariff Category	Number of consumers in this category	Tariff		Days of the week and time of the day that this service is to be provided							Total hours per week	
		UGX Shillings	Per [unit]	M	T	W	T	F	S	S		

- *Standard Consumer Service Agreement*
- *All necessary approvals from other Government agencies including—*
  - *environmental approvals from the National Environment Management Authority required under the National Environment Act, 2019*
  - *land ownership: title, lease for use of land/river under the Land Act, Registration of Titles Act*
  - *For hydropower projects—*
    - *approval required under the National Environment (Wetlands, Riverbanks and Lakeshore) Regulations, 2000 from the National Environment Management Authority*
    - *Surface Water Permit or Abstraction Permit under the Water Act and the Water (Water Resources) Regulations, from the Department of Water Resource Management*
  - *Construction Permit required under the Water Act and the Water (Water Resources) Regulations from the Department of Water Resource Management*
  - *Letter of support from—*
    - *the Rural Electrification Agency;*
    - *commercial entities being served by the generating station;*
    - *letter from the community or community group indicating their support; and*
    - *any other letter of support the applicant deems necessary.*

**NOTES -**

- (i) *Your Registration Form is incomplete unless all required documents are submitted.*

- (ii) *The authority reserves the right to verify the accuracy of this information.*
- (iii) *Submit three (3) hard copies and one (1) electronic copy of this application and all supporting documents to-*

Electricity Regulatory Authority (ERA)  
 ERA House  
 Plot 15, Shimoni Road, Nakasero  
 P. O. Box 10332, Kampala  
 Tel: +256 414 341852/0392 260166 Fax: +256 414 341624  
 Web: [www.era.or.ug](http://www.era.or.ug) Email: [info@era.or.ug](mailto:info@era.or.ug)

An electronic copy may be submitted by mail on flash disk or CD-ROM.

<b>For official use only</b>	
Date Received:	Docket Number:
Time Received:	Received by:

## SCHEDULE 4

*Regulations 6(2)(1), 17(2) and 21(3)(b)*

### CONSUMER SERVICE AGREEMENT

**THIS AGREEMENT** (“Agreement”) is made this..... day of .....20..... (“Effective Date”) by and between:....., a company issued a certificate of exemption under the Electricity Act, 1999, Cap. 145 and having its registered office in Uganda, (hereinafter referred to as ..... which expression shall, unless excluded by or repugnant to the context or meaning thereof be deemed to include its successors and assignees) of the one part.

AND

..... a customer within the meaning of section 3 (g) of the Electricity Act, 1999 (hereinafter referred to as “Consumer”), of the other part.

### WHEREAS

- A. .... is a holder of a certificate of exemption under the provisions of the Electricity Act, 1999 is authorised to generate/distribute electricity in the areas in and around inclusive of the entire area covered under the certificate of exemption.
- B. The Customer has applied to..... (the holder of a certificate of exemption) for supply of electrical energy at the Specified Premises.
- C. .... (the holder of a certificate of exemption) has considered the application and agreed to offer supply of electrical energy to the Specified Premises on the terms and conditions hereinafter contained.

**NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the words and expressions defined below shall have the meanings assigned to them in this Agreement except where the context requires otherwise:
  - 1.1.1 “Act” means the Electricity Act, 1999 Cap. 145
  - 1.1.2 “Applicable Laws” means all laws in force and effect, as of the date of this Agreement and which may be promulgated or brought into force and effect including any revisions, amendments or re-enactments regulations, rules and notifications made thereunder and judgments, decrees, injunctions, writs and orders of any court or regulators or quasi-judicial body or any appropriate authorities, as may be in force and effect during the subsistence of the Agreement.
  - 1.1.3 “Authority” means the Electricity Regulatory Authority
  - 1.1.4 “The Primary Grid Code” means the Electricity (Primary Grid Code) Regulations, 2003.
  - 1.1.5 “Parties” mean the holder of a certificate of exemption and the Customer collectively and “Party” means any one of the Parties.
  - 1.1.6 “Specified Premises” means the premises to which supply of electricity has been agreed as specified in clause 2.1 of this Agreement.
  - 1.1.7 “Specified Purpose” means the purpose for which supply of electricity is permitted as specified in clause 2.4 of this Agreement.
  - 1.1.8 “Quality of Service standards (QOS)” means the Standards of Performance specified in the Electricity (Quality of Service Code) Regulations, 2020.

1.1.9 “Works” shall include electric poles, lines, transformers, substations building, plant, machinery, and any other apparatus required to transmit, distribute or supply electricity to the public and to carry into effect the objects of a certificate of exemption or sanction granted under the Act or any other Applicable Laws.

***Words or expressions used in the Agreement and not defined shall have the meaning assigned to them under the Act, Regulations or the Guidelines issued under the Act.***

**1.2 Interpretation**

In the Agreement unless the context otherwise requires—

- 1.0.1 Words indicating one gender include all genders;
- 1.0.2 The headings are inserted for convenience and shall not limit, alter or affect the meaning of the contents;
- 1.0.3 In the event any portion or all of the Agreement is held to be void or unenforceable, the Parties agree to negotiate in good faith to arrive at an amicable understanding which shall accomplish the intent of the Parties as originally set forth in the Agreement;
- 1.2.4 No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of the right, and no single or partial exercise of any such right shall preclude any other or further exercise of the right or the exercise of any other right;

**2. General Obligations**

- 2.1 The supply of electrical energy shall be used by the Customer for his or her own use at the premises situated at .....  
(*specify the complete address*) (“Specified Premises”).
- 2.2 The Customer declares and confirms that he or she is lawful owner or occupier of the Specified Premises.

2.3 The holder of a certificate of exemption shall maintain a nominal voltage level at the point of supply to the consumer’s electrical installation in accordance with the following standard nominal voltages or as amended in the Electricity (Primary Grid Code) Regulations, 2003—

- (a) 240 V, (plus or minus 6%)
- (b) 415 V, (plus or minus 6%)
- (c) 11 kV, (plus or minus 10%)
- (d) 33 kV, (plus or minus 10%)

2.4 The supply of electrical energy shall be used only for.....(*specify the purpose of use*) (“Specified Purpose”). The Customer agrees and undertakes that the electrical energy supplied under this Agreement shall be used by the Customer exclusively for the Specified Purpose in the Specified Premises and only for his or her own purpose as specified above, and the said electrical energy shall in no event, be resold or permitted to be used by any other party or be used/permitted to be used in any manner which constitutes unauthorised use under the Applicable Laws.

2.5 The Customer confirms that he or she has full authority to and, hereby authorises and permits.....full access to the Specified Premises to carry out works such as power safety inspections, installation of lines and meters and service connection. The Customer agrees and undertakes to obtain and maintain at his or her own cost way leaves and other rights of way necessary for installation, operation, maintenance of work and provide or secure peaceful, unhindered access to any premises in or through which such work, operation or maintenance is required or cables need to be laid for providing electricity to the Specified Premises. If so required by the holder of a certificate of exemption, the Customer shall at his or her own cost procure and submit duly executed way leave confirmation to the holder of a certificate of exemption for the above purpose. However, the ownership of the line shall be the holder of a certificate of exemption and no refund shall be given to the customer for any cost that she or he has incurred.

2.6 The holder of a certificate of exemption will have full rights and prerogative to modify or augment its network which is within the Specified Premises and the Customer shall not object to the same.



Customer further agrees that the holder of a certificate of exemption will have right to extend or use this network for supply of electricity to any other customers in the nearby area as the holder of a certificate of exemption may decide.

- 2.7 The holder of a certificate of exemption shall inform the Customer about network or other constraints, encountered or may be encountered while meeting Customer's applied load. The release or continuation of supply of electricity to the Specified Premises will be subject to resolution of such constraints to the satisfaction of the holder of a certificate of exemption and the Customer shall take such steps as may be reasonably required to overcome such constraints.
- 2.8 If the Specified Premises are occupied by any person other than the customer, the Customer shall continue to be liable to the holder of a certificate of exemption and shall ensure that all amounts due in respect of the electricity supplied to the Specified Premises and all other sums due to the holder of a certificate of exemption are paid in full on or before the due date.
- 2.9 The Customer shall allow authorised personnel of the holder of a certificate of exemption to read her or his electric meter during business hours and; the customer shall inform the holder of a certificate of exemption if she or he finds that the meter is not read or has not received a bill consecutively for 3 months.
- 2.10 The holder of a certificate of exemption shall supply and deliver electricity up to the metering point of the customer. The customer is responsible for ensuring that the internal wiring of his or her premises is according to the standards set by the Electricity Regulatory Authority. The holder of a certificate of exemption is not liable for any incidents that happen as a result of defective or malfunctioning of internal wiring and unauthorised use of electricity. The customer shall not alter his or her internal wiring and add load without informing the holder of a certificate of exemption.

Upon being informed, the holder of a certificate of exemption shall re-evaluate the customer's internal wiring, size of the service cable, size of the energy meter etc. and the customer shall deposit the revised cost of service connection.

### **3 Compliance with Act, Regulations and Guidelines**

- 3.1 Parties shall comply with the provisions of the Act, the Regulations and guidelines laid down in this Agreement. Where any provision of this Agreement is inconsistent with the provisions of the Act or the Regulations or guidelines issued by the authority, the provisions of the Act, regulations or guidelines issued by the authority, as the case may be, shall take precedence to the extent of the inconsistency.

### **4. Payment**

- 4.1 The Customer shall pay for the supply of electricity based on the prevailing tariff rates and such other charges as may be determined by the authority from time to time, and pay all other charges as may be applicable in the approved schedule of charges thereunder applicable to the consumers of the ..... (the holder of a certificate of exemption).
- 4.2 If the Customer fails or neglects to pay any charge for electricity or any other sum due from the Customer, then the holder of a certificate of exemption shall be entitled to disconnect supply to the Customer as well as proceed with further actions available to it under Applicable Laws for recovery of entire amounts due.

### **5. Security Deposit**

The Customer agrees to deposit and maintain the security deposit as demanded by the holder of a certificate of exemption from time to time in accordance with the Applicable Laws unless otherwise the consumer is served by a prepayment metering system.

### **6. Sale or Transfer of Specified Premises**

- 6.1 The Customer shall, prior to transfer of his or her rights, interest and entitlements in respect of the Specified Premises, whether pertaining to ownership or occupancy or otherwise, ensure that all amounts in respect of the electricity supplied to the Specified Premises and all other sums payable to the holder of a certificate of exemption are paid in full. Notwithstanding any sale, transfer or cessation of his or her rights, interest and entitlement in the Specified Premises, the Customer shall continue to be liable for all amounts payable to the holder of a certificate of exemption in relation to the

electricity supplied to the Specified Premises until termination of this Agreement or transfer of the connection in accordance with the Electricity (Primary Grid Code) Regulations, 2003.

Without prejudice to the rights of the holder of a certificate of exemption to recover all unpaid amounts from the Customer, the Customer further undertakes to include an appropriate clause in the transfer document that the transferee or new owner or occupier shall pay all outstanding amounts to the holder of a certificate of exemption immediately on execution of transfer or sale deed. Electricity accounts are not to be transferred. The customer shall undertake to close the electricity account upon vacating the premises.

## 7. Force Majeure

7.1 The holder of a certificate of exemption shall not be liable for any failure or delay in performance under this Agreement or specified under the Electricity (Code of Quality of Service) Regulations, 2020 due to any Force Majeure event.

7.2 For the purpose of this Agreement "Force Majeure event" means, any event or circumstances which is or are not within the reasonable control of the holder of a certificate of exemption and which, by the exercise of reasonable care and diligence, the holder of a certificate of exemption is not able to prevent, including the general effect of—

- (a) acts of God, such as lightning, storm, action of the elements of nature, earthquakes, flood and natural disaster;
- (b) strikes, lockouts or other industrial disturbances;
- (c) acts of public enemy, wars (declared or undeclared), blockades, insurrections, riots, revolution, sabotage, vandalism and civil disturbance;
- (d) unavoidable accident, including fire, explosion, radioactive contamination and toxic dangerous chemical contamination;
- (e) any generation, transmission or distribution shutdown or interruption, which is required or directed by Electricity Regulatory Authority;

- (f) any shut down or interruption, which is required to avoid serious and immediate risks of a significant plant or equipment failure; and
- (g) isolated grid system failure or other causes which are beyond the normal duties of a holder of a certificate of exemption.

## 8. Disconnection

8.1 Without prejudice to any other right available under Applicable Laws and this Agreement, the holder of a certificate of exemption shall be entitled to disconnect the supply of electricity if—

- (a) the disconnection is authorised under the Act, Regulations and guidelines made under the Act or any other Applicable Law;
- (b) any information or document provided by the Customer in connection with the electricity supply is found to be false or incorrect; or
- (c) there is continued unauthorised use of electricity supplied under this Agreement.

8.2 The holder of a certificate of exemption shall **not disconnect** a customer's supply; where—

- (a) the disconnection time is after 15:00hrs on a weekday, on a weekend, a public holiday or the day before a public holiday except in the matter of planned maintenance; or
- (b) the customer has not been given written notice of disconnection and allowed five (5) working days to rectify the problem.

## 9. Term of the Agreement

This Agreement shall be effective and remain in force till such time a Customer remains connected with distribution system or is terminated in accordance with clause 10 of this Agreement.

**10. Termination of Agreement**

**10.1 Termination by Customer**

The Customer shall have the right to terminate the Agreement by giving a 3 working days' notice of termination to the holder of a certificate of exemption in accordance with the provisions of the Act and the applicable regulations.

**10.2 Termination by the holder of a certificate of exemption**

10.2.1 If the Customer defaults in payment to the holder of a certificate of exemption of any sum or commits breach of any of its obligations under this Agreement or the Applicable Laws ("Event of Default"), without prejudice to the provisions of clause 10.3, the holder of a certificate of exemption shall be entitled to terminate this Agreement as mentioned in subclause 10.2.2.

10.2.2 Upon the occurrence of an Event of Default, the holder of a certificate of exemption will provide the Customer with a written notice mentioning the nature of default and the intention of holder of a certificate of exemption to terminate this Agreement for default. In the event the Customer fails or refuses to cure the default within fifteen (15) days from the date of the notice of termination, the holder of a certificate of exemption in its sole discretion shall be entitled to terminate this Agreement from the date stated in the notice.

10.3 Nothing contained in subclause 10.2 shall limit or restrict any of the rights to disconnect the supply of electricity to the Specified Premises or Customer or to terminate the Agreement, available to the holder of a certificate of exemption under Applicable Laws.

10.4 The Termination of this Agreement shall not affect any accrued liability or claim or any obligations pursuant to this Agreement, up to the date of or upon termination or any surviving right.

**11. Dispute Resolution**

If any dispute or difference of any kind whatsoever ("Dispute") shall arise between the Parties in connection with or arising out of this Agreement or out of the breach, termination or invalidity of the Agreement, both parties agree to resolve the dispute through mutual discussions failing which any of them shall refer such Disputes for redress to the Electricity Regulatory Authority.

**12. Notice**

All notices required to be issued under this Agreement shall be duly served or delivered, if sent to the following addresses of the Parties as follows:

For the holder of a certificate of exemption: (Address of the concerned Office) .....

For the Customer: Specified Premises .....

**13. Miscellaneous**

**13.1 Assignment**

Customer shall not assign all or any of his or her rights, liability, obligation or benefit under this Agreement, without the express prior written consent of the holder of a certificate of exemption.

**13.2 Amendment**

This Agreement may be amended at any time by mutual and written agreement of the Parties in consultation with Electricity Regulatory Authority. No variation shall be effective unless it is in writing and signed by duly authorised officer of the holder of a certificate of exemption, the Customer and witnessed by Electricity Regulatory Authority.

**IN WITNESS WHEREOF** the Parties hereto have set their respective hands on this Agreement on the day and year first herein above written;

.....  
**For and on behalf of the holder of a certificate of exemption**

.....  
**Witness**

.....  
**Consumer**

.....  
**Witness**

**SCHEDULE 5**

*Regulations 6(2)(n), 21 (1)  
and 22(1)*

**TARIFF REVIEW FORM**

**1.0 PARTICULARS OF APPLICANT AND CONTACT PERSON**

Name of applicant: \_\_\_\_\_  
Physical address: \_\_\_\_\_  
Postal address: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Mobile phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
TIN: \_\_\_\_\_  
Website address: \_\_\_\_\_  
Name of contact person: \_\_\_\_\_  
Physical address of contact person: \_\_\_\_\_  
Postal address of contact person: \_\_\_\_\_  
Telephone number of contact person: \_\_\_\_\_  
Mobile phone of contact person: \_\_\_\_\_  
E-mail for contact person: \_\_\_\_\_

**2.0 LEGAL STATUS OF APPLICANT**

Indicate legal status of applicant (Tick relevant option)

- Sole proprietorship

- Partnership
- Public limited liability company
- Private limited liability company
- Cooperative society
- Incorporated trustee
- Other (please specify)

*(Please attach certified copy of Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership or Deed of Trust, as applicable)*

**3.0 DESCRIPTION OF PROJECT**

3.1 Name of project: \_\_\_\_\_

3.2 Is this project for multiple systems?

- Yes, how many individual systems will fall under this application: \_\_\_\_\_
- No

If yes, please provide the following information for each system using a consistent reference (I.e. 3.2a for the first system, 3.2b for the second). If information is similar across multiple systems, this may be noted in place of repeating information.

3.3 Site of the isolated grid system (village(s), sub-county and district):

3.3 a \_\_\_\_\_

3.3 b(if applicable) \_\_\_\_\_

3.3 c (if applicable) \_\_\_\_\_  
*(Use a consistent numbering system)*

**4.0 TARIFF REVIEW SUBMISSION INFORMATION**

4.1 System cost details



Rated system power: \_\_\_\_\_ kW

Total system installed capital cost: \_\_\_\_\_ US\$ \_\_\_\_\_

System Cost Breakdown	
System Components	Unit
<input checked="" type="checkbox"/> Solar Components (if applicable)	
Installed PV capacity [kW]	
Installed PV cost [\$/kW]	
Total installed PV costs [\$]	
PV planned annual O&M [\$/kW]	
Projected useful life [Years]	
Expected average daily production [kWh/day]	
<input checked="" type="checkbox"/> Wind Components (if applicable)	
Installed wind capacity [kW]	
Installed wind cost [\$/kW]	
Total installed wind costs [\$]	
Wind planned annual O&M [\$/kW]	
Projected useful life [Years]	
Expected average daily production [kWh/day]	
<input checked="" type="checkbox"/> Bioenergy Components (if applicable)	
Installed bioenergy capacity [kW]	
Installed bioenergy cost [\$/kW]	
Total installed bioenergy costs [\$]	
Bioenergy planned annual O&M (excluding fuel) [\$/kW]	
Expected bioenergy fuel costs [\$/kWh]	
Projected useful life [Years]	
Expected average daily production [kWh/day]	
<input checked="" type="checkbox"/> Hydro Components (if applicable) (inclusive of civil works and generator costs)	
Installed hydro capacity [kW]	
Installed hydro cost [\$/kW]	
Total installed hydro costs [\$]	
Annual Planned hydro O&M [\$/kW]	
Projected useful life [Years]	

Expected average daily production [kWh/day]	
<input checked="" type="checkbox"/> Diesel/heavy fuel oil Generation Components (if applicable) (inclusive of all fuel storage and related costs)	
Installed genset capacity [kW]	
Genset installed cost [\$/kW]	
Total installed generator costs [\$]	
Genset projected useful life [Years]	
Expected average daily production [kWh/day]	
Anticipated fuel consumption rate [liters/kWh]	
Planned annual genset O&M [\$/kWh]	
Expected average fuel cost [\$/liters]	
Anticipated fuel cost escalation rate [%]	
Balance of System (BOS) Components	
<ul style="list-style-type: none"> <li>Battery costs shall be inclusive of charge controller's battery management systems unless these are incorporated into other devices</li> <li>General BOS may include buildings, roads, site improvements, and other costs not specific to equipment already identified</li> </ul>	
Battery storage installed cost [\$/kWh]	
Total installed battery costs [\$]	
Battery projected useful life [Years]	
Planned annual battery O&M [\$/kWh-installed]	
Inverters [\$/kW]	
Total installed inverter costs [\$]	
Projected inverter useful life [Years]	
Total additional BOS costs [\$]	
Planned annual station system O&M [\$/year]	
Other direct costs (specify:) [\$]	
Distribution System	
Total distribution system installed cost [\$]	
length of installed distribution system [meters]	
Planned annual distribution system O&M [\$/year]	
Other Costs (Development, Overhead, Operations, etc.)	
Pre-operating project development ("soft") costs [\$/kW]	
Total pre-operating project development costs [\$]	
Planned annual overhead labor costs [\$/year]	

Planned annual site labor costs [\$/year]	
Planned annual land lease costs [\$/year]	
<b>Financial Assumptions</b>	
Lifetime of investment [Years]	
discount rate [%]	
Capex grant/subsidy funding received [\$/]	
Ongoing OPEX grant/subsidy funding received [\$/year]	
Debt capital share of total CAPEX [%]	
Debt capital financing rate [%]	
Equity capital share of total CAPEX [%]	
Equity capital rate of return [%]	
Internal Rate of Return [%]	

#### 4.2 CONSUMPTION AND REVENUE DETAILS

Total number of connected consumers: \_\_\_\_\_

Total expected annual sales: \_\_\_\_\_ US\$ \_\_\_\_\_

Consumption Details		
Consumer Category	Number of connections	Anticipated annual consumption(KWh)
Domestic		
Commercial		
Medium industrial		
Large industrial		
Extra-large Industrial		
Street lighting		
Other/special		

Provide information how your tariff scheme is structured and how associated tariff rates are calculated.

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Provide information regarding the proposed variable tariffs that will be charged to consumers

Tariff Category	Number of consumers in this category	Tariff		Days of the week and time of the day that this service is to be provided							Total hours of service per week in this category	Total [unit] sales per annum in this category
		UGX Shillings	Per [unit]	M	T	W	T	F	S	S		

Provide information about any fixed fees that will be charged. Fixed fees may be a one-time up-front connection fee, regular monthly service fees, or others. Please add additional information if necessary.

Fee Description	Amount (UGX Shillings/unit)	Frequency (e.g. once, monthly, annual, etc.)	Number of [units] subject	Total fee revenue

Please attach copies of documentation (e.g. consumer service agreement that is used to communicate to consumers the service level they will receive and tariff category they will be charged).

What parameters are proposed to be used as part of an annual tariff adjustment (add additional pages as needed): \_\_\_\_\_

### 5.0 TARIFF REVIEW SUBMISSION – ADJUSTMENT UPDATE

The information in this section is to be completed during the periodic tariff review or whenever a holder of a certificate of exemption applies for an adjustment to the tariff.

### 5.1 SYSTEM COST DETAILS

Total system nameplate capacity: \_\_\_\_\_ change since last review: \_\_\_\_\_

Please list any system upgrades or capital additions since last review: \_\_\_\_\_

Total cost of capital improvements/additions since last review: \_\_\_\_\_

Please provide details below. Note some fields may not have values depending on system composition.

System Cost Breakdown	
<input checked="" type="checkbox"/> Solar Components (if applicable)	
PV capital additions capacity [kW]	
PV capital additions cost [\$]	
Prior year PV O&M [\$ /kW]	
Next year planned PV O&M [\$ /kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<input checked="" type="checkbox"/> Wind Components (if applicable)	
Wind capital additions capacity [kW]	
Wind capital additions cost [\$]	
Prior year wind O&M [\$ /kW]	
Next year planned wind O&M [\$ /kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<input checked="" type="checkbox"/> Bioenergy Components (if applicable)	
Bioenergy capital additions capacity [kW]	
Bioenergy capital additions cost [\$]	
Prior year bioenergy O&M (incl. fuel) [\$ /kW]	
Next year planned bioenergy O&M (incl. fuel) [\$ /kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<input checked="" type="checkbox"/> Hydro Components (if applicable)	
Hydro capital additions capacity [kW]	
Hydro capital additions cost [\$]	

Prior year hydro O&M [\$/kW]	
Next year planned hydro O&M [\$/kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<input checked="" type="checkbox"/> Diesel generation components (if applicable)	
Generator capital additions capacity [kW]	
Generator capital additions cost [\$]	
Prior year O&M (incl. fuel) [\$/kW]	
Next year anticipated O&M (incl. fuel) [\$/kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<input checked="" type="checkbox"/> Other power generation components (if applicable)	
Other generator (specify type, manufacture and model)	
Other generator capital additions capacity [kW]	
Other generator capital additions cost [\$]	
Prior year O&M (incl. fuel) [\$/kW]	
Next year anticipated O&M (incl. fuel) [\$/kW]	
Prior year average daily production [kWh/day]	
Next year anticipated daily production [kWh/day]	
<b>Balance of System (BOS) Components</b>	
BOS additions (specify additions including type (battery, inverter, etc.) manufacture and model)	
BOS capital expenditures capacity [kW]	
BOS capital expenditures cost [\$]	
Prior year battery O&M [\$/kWh-installed]	
Next year planned battery O&M [\$/kWh-installed]	
<b>Distribution System and Operation</b>	
New distribution system capital investments [\$]	

Linear length of new distribution investments	
Prior year labor costs [\$/year]	
Next year planned labor costs [\$/year]	
Prior year land lease costs [\$/year]	
Next year planned land lease costs [\$/year]	
<b>Financial Assumptions</b>	
Ongoing OPEX grant funding received last year [\$/year]	
Planned OPEX grant funding next year [\$/year]	

## 5.2 CONSUMPTION AND REVENUE DETAILS

Total number of connections: \_\_\_\_\_

Change since last period: \_\_\_\_\_

Prior year total power sales: \_\_\_\_\_

Next year expected sales: \_\_\_\_\_

Prior year total revenue: \_\_\_\_\_

Next year expected revenue: \_\_\_\_\_

Please provide details below. Note that some fields may not have values depending on system makeup.

Consumption Details			
Consumer Category	Change in connections since last review (+/-)	Prior year total consumption	Next year anticipated consumption
Domestic			
Commercial			
Medium industrial			
industrial			
Public			
Other			



Please describe any proposed changes to how your tariff scheme is to be structured and how associated tariff rates will be calculated.

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Please complete the below table with information regarding the variable tariffs that will be charged to customers. Variable tariffs may be unpredictable from month-to-month (e.g. energy charge, power charge, etc.). Please add additional rows if necessary or if another tariff model is being considered, such as a fee for service, please provide that information in a modified form.

Tariff Category	Number of consumers in this category	Tariff		Days of the week and time of the day that this service is to be provided							Total hours of service per week in this category	Total [unit] sales per annum in this category
		UGX Shillings	Per [unit]	M	T	W	T	F	S	S		

Please provide information about any fixed fees that will be charged. Fixed fees may be a one-time up-front connection fee, regular monthly service fees, or others. Please add additional rows if necessary.

Fee Description	Amount (UGX Shillings/unit)	Frequency (e.g. once, monthly, annual, etc.)	Number of [units] subject	Total fee revenue

Please attach copies of documentation (e.g. consumer service agreement that is used to communicate to consumers the service level they will receive and tariff category they will be charged).

### 6.0 AUTHORITY TARIFF REVIEW METHODOLOGY

The information provided to the authority for review of the proposed tariff will be utilised in three ways-

1. Projected levelised cost of energy will be calculated by the authority and compared with the proposed tariff.
2. The proposed tariff will be compared with other existing and proposed tariffs.
3. The costs provided will be compared with other costs and industry benchmarks.

**NOTES -**

- (i) Your Registration Form is incomplete unless all required documents are submitted.
- (ii) The authority reserves the right to verify the accuracy of this information.
- (iii) Submit three (3) hard copies and one (1) electronic copy of this application and all supporting documents to

Electricity Regulatory Authority (ERA)  
ERA House  
Plot 15, Shimoni Road, Nakasero  
P. O. Box 10332, Kampala  
Tel: +256 414 341852/0392 260166 Fax: +256 414 341624  
Web: [www.era.or.ug](http://www.era.or.ug) Email: [info@era.or.ug](mailto:info@era.or.ug)

An electronic copy may be submitted by mail on flash disk or CD-ROM.

For official use only	
Date received:	Docket number:
Time received:	Received by:

**SCHEDULE 6**

Regulation 24(2)

**COMPENSATION METHODOLOGY**

1. A holder of a certificate of exemption shall not be compensated for assets retained or removed by the holder of the certificate of exemption prior to the date of interconnection with the main grid.
2. A holder of a certificate of exemption seeking to operate as a Small Power Distributor (SPD) shall apply for a generation and distribution licence in accordance with regulation 22(1)(a) of these Regulations and shall receive compensation equal to the Net Present Value of the difference between—
  - (a) the Net Cash Flow (CF) during the 12 months prior to the date of interconnection, and
  - (b) the expected Net Cash Flows under the SPD model.
3. The NPV calculation under paragraph 2 shall include the total number of years remaining under the certificate of exemption using the Weighted Average Cost of Capital included in the tariff application as the discount rate. Generation and Distribution OPEX costs to be included in Net Cash Flow calculations will be those included in the tariff application approved by the authority.

**Formula**

$$\text{Compensation} = \text{NPV}(\text{discount rate}; \text{Net CF}_{y-1} - \text{Net CF}_{\text{SPDyear0}}; \text{Net CF}_{y-1} - \text{Net CF}_{\text{SPDyear1}}; \dots; \text{Net CF}_{y-1} - \text{Net CF}_{\text{SPDyearN}})$$

$$\text{Net CF}_{y-1} = (\text{Power sales}_{y-1} \times \text{Tariff}_{y-1}) - (\text{Generation OPEX} + \text{Distribution OPEX}) - \text{Interest on debt} - \text{Income Taxes}$$

$$\text{Net CF}_{\text{SPDyear0 to N}} = (\text{Power sales}_{y-1} \times \text{Tariff}_{\text{SPD}}) - (\text{Generation OPEX} + \text{Distribution OPEX}) - \text{Interest on debt} - \text{Income Taxes}$$

Note: Generation OPEX may now include the purchase of electricity from the main grid

4. A holder of a certificate of exemption seeking to operate as a Small Power Producer (SPP) shall apply for a generation licence in accordance with regulation 22(1)(b) of these Regulations, shall receive compensation equal to the Net Present Value (NPV) of the difference between—
- (a) the Net Cash Flow (CF) during the 12 months prior to the date of interconnection, and
  - (b) the expected Net Cash Flows under the SPP model.
5. The NPV calculation under paragraph 4 shall include the total number of years remaining under the certificate of exemption, using the Weighted Average Cost of Capital included in the tariff application as the discount rate. Generation and Distribution OPEX costs to be included in Net Cash Flow calculations will be those included in the tariff application approved by the authority.

**Formula**

Compensation = NPV (discount rate; Net CFy-1 – Net CFSPPyear0; Net CFy-1 – Net CFSPPyear1;...; Net CFy-1 – Net CFSPPyearN)

Net CFy-1 = (Power salesy-1 x Tariffy-1) – (Generation OPEX + Distribution OPEX) - Interest on debt- Income Taxes

Net CFSPPyear0 to N= ((Power salesy-1 + Excess Energyy-1) x TariffSPP) – (Generation OPEX) - Interest on debt-Income Taxes

6. A holder of a certificate of exemption seeking to operate as both a Small Power Distributor and a Small Power Producer (SPP-SPD), (where the holder of certificate of exemption remains as SPD, buys electricity from the main grid, and sells excess electricity to the main grid following receipt of necessary licences from the authority), shall receive compensation equal to—
- (a) the Net Present Value (NPV) of the difference between the Net Cash Flow (CF) during the 12 months prior to the date of interconnection, and
  - (b) the expected Net Cash Flows under the SPP-SPD model.

7. The NPV calculation under paragraph 6 shall include the total number of years remaining under the certificate of exemption using the Weighted Average Cost of Capital included in the tariff application as the discount rate. Generation and Distribution OPEX costs to be included in Net Cash Flow calculations will be those included in the tariff application approved by the authority.

**Formula**

Compensation = NPV (discount rate; Net CFy-1 – Net CFSPP-SPDyear0; Net CFy-1 – Net CFSPP-SPDyear1;...; Net CFy-1 – Net CFSPP-SPDyearN)

Net CFy-1 = (Power salesy-1 x Tariffy-1) – (Generation OPEX + Distribution OPEX) – Interest on debt – Income Taxes

Net CFSPP-SPDyear0 to N= (Power salesy-1 x TariffSPD) + (Excess Energyy-1 x TariffSPP) – (Generation OPEX + Distribution OPEX) - Interest on debt – Income Taxes

Note: Generation OPEX may now include the purchase of electricity from the main grid

8. A holder of the certificate of exemption seeking to terminate its operations in accordance with regulation 22(1)(c) of these Regulations, shall receive compensation equal to-
- (a) the undepreciated (unrecovered) value of assets included in the CAPEX (“undepreciated/unrecovered CAPEX”) at the date of interconnection, as defined during the tariff application approved by the authority, and
  - (b) the Net Cash Flow (CF) during the 12 months prior to the date of interconnection in which the holder of a certificate of exemption forfeits ownership of the generation and distribution equipment; or
  - (c) Net Present Value (NPV) of the Net Cash Flow (CF) during the 12 months prior to the date of interconnection multiplied by the total number of years between the date of interconnection and the term of the certificate of exemption as defined in the certificate of exemption, using the Weighted Average Cost of Capital (WACC) included in the tariff application as the discount rate

minus the depreciated value of assets included in the CAPEX (“Depreciated CAPEX”) at the date of interconnection, as defined during the tariff application approved by the authority, in which the holder of certificate of exemption retains ownership of the generation and distribution equipment.

**Formula**

Compensation = Undepreciated/Unrecovered CAPEX + Net CFy-1

Net CFy-1 = (Power salesy-1 x Tariffy-1) – (Generation OPEX + Distribution OPEX) - Interest on debt – Income Taxes

Or

Compensation = NPV (discount rate; Net CFy-1 x Remaining years of Certificate of Exemption) - Depreciated CAPEX

Net CFy-1 = [(Power salesy-1 x Tariffy-1) – (Generation OPEX + Distribution OPEX) - Interest on debt – Income Taxes]

**SCHEDULE 7  
REPORTING TEMPLATE**

*Regulation 25 (4)*

<b>1. Reporting Period</b>	
(a) Start date (month, day, year)	
(b) End date (month, day, year)	
(c) Number of days in reporting period	
<b>2. Certificate of Exemption Number</b>	
<b>3. Particulars of Certificate Holder</b>	
(a) Name	
(b) Physical address	
(c) Postal address	
(d) Telephone number	
(e) Mobile phone	
(f) Email address	
(g) TIN	
(h) Website address	
(i) Has this information changed since last reporting (Y/N)	
<b>4. Name and details of contact person</b>	
(a) Name	
(b) Physical address	
(c) Postal address	
(d) Telephone number	
(e) Email address	
(f) Has this information changed since last reporting (Y/N)	



<b>5. Governance Reporting</b>	<i>If there is more than one isolated grid system, please provide information for each site.</i>
(a) Changes in particulars of the legal status;	
(b) Changes in particulars of the governance structures;	
(c) Changes in particulars of shareholders;	
(d) Changes in particulars of affiliates and subsidiaries;	
(e) Changes in particulars of directors and company secretary;	
(f) Changes in particulars of key executives and senior managers;	
(g) Changes in particulars of the registered postal and registered physical address;	
(h) Changes in particulars of the contact personnel of the licensee;	
(i) Copies of the annual returns filed with the Registry of Companies;	
(j) Potential acquisition or merger with another company;	
(k) Annual compliance with tax requirements.	
<b>6. Site Specific Information</b>	<i>If there is more than one isolated grid system site, please provide information for each site.</i>

(a) Name of Isolated-grid site(s)	
(b) Name of district, local government, sub-county and village where Isolated-grid system is located	
(c) Longitude	
(d) Latitude	
(e) Year of Commissioning	
<b>7. Connections</b>	
(a) Total number of customers	
(b) Total number of connections	
(c) Total number of potential connections in the community	
(d) Percent of customers in community with electrical service (%)	
(e) Active Connections (%) <sup>1</sup>	
(f) Connections by Sector	
i. Customers by sector (Residential/household)	
ii. Customers by sector (Commercial/Business)	
iii. Customers by sector (Industrial/Productive)	
iv. Customers by sector (Special)	

**NOTES -**

<sup>1</sup> Active Connection: A connection is 'active' if it has purchased more than 30Wh that month. These numbers are aggregated over 12 months and then the annual weighted average is reported.


## **CROSS REFERENCE**

Electricity (Application for Permit, Licence and Tariff Review) Regulations, 2007 S.I. No. 60. of 2007

Electricity (Design, Manufacture, Installation and Use of Portable Low Voltage Single Phase Ready Boards) Guidelines, 2017

Electricity (Licence Fees) Regulations, 2003, S.I. No. 20 of 2003

Electricity (Primary Grid Code) Regulations, 2003, S.I. No.24 of 2003

Electricity (Quality of Service Code) Regulations, 2020, S.I. No. 78 of 2020

Electricity (Safety Code) Regulations, 2020

Land Act, Cap. 227

Land Registration Act, Cap. 230

National Environment (Wetlands, Riverbanks and Lakeshores) Regulations, S.I. No.153-3

National Environment Act, 2019, Act No. 5 of 2019

Water Act, Cap. 152

Water (Water Resources) Regulations S.I No.152-1

Weights and Measures (Electricity Meters) Rules, 2015

**DR. SARAH WASAGALI**

*Chairperson, Electricity Regulatory Authority*

