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THE ELECTRICITY ACT
(CAP.131)

RULES

(Made under sections 45 and 46)

THE ELECTRICITY (NET-METERING) RULES, 2018

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THE ELECTRICITY ACT
(CAP.131)

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(Made under sections 45 and 46)

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THE ELECTRICITY (NET-METERING) RULES, 2018

PART I
PRELIMINARY PROVISIONS

- Citation 1. These Rules may be cited as the Electricity (Net-Metering) Rules, 2018.
- Applica- 2. These Rules shall apply to activities in relation to net-
tion metering of electricity in Tanzania Mainland.
- Interpre- 3. In these Rules, unless the context otherwise requires:
tation
Cap. 131 “Act” means the Electricity Act;
 “annual billing cycle” means the normal annual fiscal accounting
 period used by a Distribution Network Operator;
- Cap. 414 “Authority” means the Energy and Water Utilities Regulatory
 Authority established under the provisions of the Energy and
 Water Utilities Regulatory Authority Act;
 “billing period” means the period during which bills are prepared for
 electricity sold on a monthly basis but not more than three
 months;
 “Distribution Network Operator” means a distribution network
 operator responsible for the operation of a distribution
 network at 33 kV or below and with at least 10,000
 customers;
 “eligible customer” means a person who is authorized by the

- Authority to enter into contract for the supply of electricity directly with any person licensed to generate electricity;
- “exported energy” means the amount of electricity a Net-Metering Customer has fed back to the Distribution Network Operator’s network during the applicable billing period;
- “imported energy” means the amount of electricity the Distribution Network Operator has supplied to a net-metering customer during the applicable billing period;
- “net-metering” means measuring the difference between an imported and exported energy in kilowatt hours (kWh) over the applicable billing period and the term “net energy metering” shall be construed accordingly;
- “net-metering customer” means a customer of a Distribution Network Operator that also serves as an owner of a Net-Metering Facility;
- “net-metering facility” means a facility of electricity that:
- (a) generates electricity if the fuel source is derived from renewable resources;
 - (b) has a nominal generating capacity of less than one thousand kilowatts;
 - (c) can operate in parallel with a Distribution Network Operator’s existing transmission and distribution facilities; and
 - (d) is intended primarily to offset part or all of the net-metering customer’s requirements for electricity;
- “parallel operation” means the operation of on-site electricity generation by a net-metering customer while it is connected distribution system; and
- “renewable energy” means the energy which comes from natural resources, which are renewable.

PART II
NET-METERING REQUIREMENTS

Distribu-
tion
Network
Operator
require-
ments

4.-(1) A Distribution Network Operator shall allow net-metering facilities to be connected to its electrical network using a bi-directional meter capable of registering and displaying the direction and volume of electricity flow in two directions.

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(2) Eligibility for net energy metering shall be available on a first-come, first-served basis within each Distribution Network Operator service area until such time as the total rated generating capacity owned and operated by net-metering customers within the respective utility service area totals or would exceed five percent of the highest peak load during the previous calendar year.

(3) A Distribution Network Operator may offer net-metering beyond the percentage levels if it deems necessary to do so.

Metering
requireme
nts

5.-(1) A Distribution Network Operator shall specify metering equipment technology and standards to be installed in order to measure the imported energy supplied to each net-metering customer and also to accurately measure the exported energy generated by each net-metering customer.

(2) Accuracy requirements for a bi-directional meter shall be in accordance with the applicable standards, guidelines and tests Distribution Network Operator either before or at the time the net-metering facility is placed in operation in accordance with these rules.

New or
additional
charges

6.-(1) A Distribution Network Operator shall not introduce a new or additional charges that would increase a net-metering customer's costs beyond those of other customers in the same customer tariff category without the approval of the Authority.

(2) The Authority may, where the Distribution Network Operator's direct costs of interconnection and administration of net-metering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the entire customer base and after conducting a public inquiry, authorize a Distribution Network Operat or to assess net-metering customers for a greater fee or charge, of any appropriate type.

Billing
for net-
metering

7.-(1) A Distribution Network Operator shall charge electricity supplied, imported energy, to eligible net-metering customers in the following manner:

- (a) on a monthly basis, bill the net-metering customer for charges applicable under the existing effective tariff schedule approved by the Authority;

- (b) the net-metering customer shall receive kWh credits, or fraction thereof, for the energy that it exports to the Distribution Network Operator;
- (c) depending on the customer tariff category, the net-metering customer shall be billed the net energy and other charges such as service and demand charges during the applicable billing period;
- (d) if the amount of kWh supplied by the Distribution Network Operator exceeds the kWh generated by the net-metering facility and fed back to the Distribution Network Operator during the billing period, the net-metering customer shall be billed for the net kWh supplied by the Distribution Network Operator in accordance with the existing effective tariff schedule approved by the Authority;
- (e) if the kWh generated by the net-metering facility and fed back to the Distribution Network Operator exceed the kWh supplied by the Distribution Network Operator to the net-metering customer during the applicable billing period, the Distribution Network Operator shall credit the net-metering customer with any accumulated net excess generation in the next applicable billing period;
- (f) any credit remaining in the customer's account shall expire after the period of three years, or in the event that the customer terminates service with the Distribution Network Operator .
- (g) any renewable energy credit created as a result of electricity supplied by a net-metering facility is the property of the net-metering customer that generated the renewable credit.

(2) The monetary payment will not be made from the Distribution Network Operator to the net-metering customer under these Rules.

(3) A Distribution Network Operator shall:

- (a) provide electric service to net-metering customers at non-discriminatory rates, equal with respect to approved rate structure, and any monthly charges, to the rates that a customer would be charged if not a net-metering customer; and
- (b) not charge net-metering customers any fee or charge or

require additional equipment, insurance, or any other requirements not specifically authorized in the applicable laws and the Interconnection Agreement approved by the Authority.

(4) A net-metering customer shall be responsible for paying taxes, levies and other applicable statutory deductions based on the net amount of electricity supplied by a Distribution Network Operator.

(5) Notwithstanding any provision in this rule, a Distribution Network Operator shall, subject to the approval by the Authority, prescribe a fixed monthly service charge to be paid by each net-metering customer for each customer's tariff category.

PART III

INTERCONNECTION OF NET-METERING FACILITIES

Minimum
standard
require-
ment

8.-(1) A net-metering customer and a Distribution Network Operator shall, prior to interconnection with the Distribution Network Operator's facilities, execute a Standard Interconnection Agreement in accordance with the Schedule to these Rules.

(2) The interconnection by a net-metering customer to a Distribution Network Operator shall not be an authorization of net-metering customer to utilize the electric distribution system for the transmission or distribution of electric power to customers other than the Distribution Network Operator.

(3) The generating and interconnection facilities of a net-metering customer shall be reasonably accessible to Distribution Network Operator's personnel in order to allow them to perform their duties.

Execution
of
Standard
Intercon-
nection
Agree-
ment

9. A Distribution Network Operator and a net metering customer shall execute a Standard Interconnection Agreement for net metering facilities.

Filing and

10.-(1) A Distribution Network Operator shall submit records

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reporting requirements of Distribution Network Operator and reportson quarterly basis to the Authority by 15thday of each quarter.

(2) The report under sub-rule (1) to the Authority shall contain the following information:

- (a) the total number of net-metering customers served by a Distribution Network Operator;
- (b) the type and capacity of each net-metering facility by the net-metering customers; and
- (c) the energy recorded by the import and export registers of each bi-directional meter.

(3) A Distribution Network Operator who breaches subrule (1), commits an offence and shall be liable to a fine of three million shillings.

Revoca-
tion
GN. No.
441/2017

12.-(1) The Electricity (Net Metering) Rules, 2017 are hereby revoked.

(2) Notwithstanding the revocation of the Electricity (Net Metering) Rules, 2017, all orders, exemptions or directives made or issued or deemed to have been made or issued under those rules shall be deemed to have been made under these Rules, and shall remain in force until revoked or otherwise expire or cease to have effect.

SCHEDULE

(Made under rule 8 (1))

INTERCONNECTION AGREEMENT FOR NET-METERING FOR GENERATING FACILITIES LESS THAN 1 MW

This Agreement is made this _____ day of _____, 20__ (the “Effective Date”) between (“Customer”) of the one party, and..... referred to as the “Distribution Network Operator” of the other party.

The Parties to this Agreement agree as follows:

1. WHEREAS:

- 1.1. The Customer has elected to engage in Net-Metering for the purpose of self-consuming all, part or none of the Net-Metering Facility’s output. In consideration for the Distribution Network Operator allowing the Customer to interconnect with the Distribution Network Operator’s electric grid for the purposes of engaging in Net-Metering, Customer agrees to abide by the terms of this Interconnection Agreement as well as with any applicable Rules and Regulations in force as at the Effective Date of this Agreement.
- 1.2. Customer agrees that Distribution Network Operator shall not impose wheeling charges for electricity generated and exported by the Customer and shall credit the Customer’s generation against its consumption at the location of said electrical generation facility.
- 1.3. The Net-Metering Facility may be owned or leased by the Customer and the Customer is not precluded from contracting for the lease, operation or maintenance of a Net-Metering Facility with a third party. Such a lease may not provide terms that are conditional upon the purchase of energy produced from the Net-Metering Facility by the Distribution Network Operator under this Agreement.

2. TERM OF THE AGREEMENT

The term of this Agreement shall begin on the Effective Date set forth in the Preamble and shall remain in effect for twenty (20) years thereafter unless terminated by either party as set forth in Paragraph 15.

3. PRICE AND PAYMENT

- 3.1. On a monthly basis, the Distribution Network Operator shall bill the Net-Metering Customer for charges applicable under the exiting effective tariff schedule approved by the Authority.
- 3.2. The Net-Metering Customer shall receive a credit for each kWh, or fraction thereof of the exported energy.

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- 3.3. In case the amount of kWh supplied by the Distribution Network Operator exceeds the kWh generated by the Net-Metering Facility and exported to the Distribution Network Operator during the billing period, the Net-Metering Customer shall be billed for the net kWh supplied by the Distribution Network Operator in accordance with the applicable tariff category approved by the Authority.
- 3.4. In case the kWh generated by the Net-Metering Facility and exported to the Distribution Network Operator exceed the kWh supplied by the Distribution Network Operator to the Net-Metering Customer during the applicable billing period, the Distribution Network Operator shall credit the Net-Metering Customer with any accumulated net excess generation in the next applicable billing period.
- 3.5. Notwithstanding any provision of this Agreement, the Net Metering Customer shall be billed other charges such as service and demand charges, levies on net metered energy and taxes during the applicable billing period.
- 3.6. Any credit remaining in the Customer's account shall expire after the period of three years, or in the event that the Net Metering Customer terminates service with the Distribution Network Operator. No monetary payment will be made to the customer by the Distribution Network Operator under this Agreement.

4. CUSTOMER CERTIFICATION

The Customer certifies that the Net-Metering Facility, its construction, its installation, its operation and its maintenance shall be in compliance with applicable codes, guidelines and standards as approved by relevant Authorities.

5. ASSIGNMENT

This Agreement shall be binding upon the respective parties hereto, their personal representatives, heirs, successors and assigns. The Customer shall notify the Distribution Network Operator prior to the sale or transfer of the Net-Metering Facility, the Interconnection Facilities or the premises upon which the facilities are located. The Customer shall not assign its rights or obligations under this Agreement without prior consent of the Distribution Network Operator, which consent shall not be unreasonably withheld. In the absence of a written notice of objection from the Distribution Network Operator, the Distribution Network Operator's consent to an assignment may be assumed sixty (60) days after the Customer delivers written notification to the Distribution Network Operator.

6. ACCESS

The Customer here by grants the Distribution Network Operator and its authorized employees the right to enter upon the Customer's Net-Metering Facility for the purposes of operating the disconnection switch and meters and making additional test concerning the operation and accuracy of its meters at all reasonable hours and to disconnect the Net-Metering Facility at any time in accordance with the terms of this Agreement, provided that any entry by the Distribution Network Operator shall be done in the presence of the Customer or his representative and findings thereof must be signed by both parties. In the event that the Net Metering Customer or his/her representative refuses to countersign the findings, the

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Distribution Network Operator shall note that fact and proceed with intended actions as well as report the incident to the Authority within twenty four (24) Hours.

7. MODIFICATION OF NET-METERING FACILITY

Prior to any material modification or expansion of the Net-Metering Facility, the Customer shall obtain the Distribution Network Operator's approval and shall sign a modified Interconnection Agreement for the Net-Metering Facility. The Distribution Network Operator reserves the right to require the Customer, at the Customer's expense, to provide corrections or additions to existing Interconnection Facilities as necessary to comply with the Grid Code, Distribution Code and applicable standards into force at the time of modification or expansion.

8. INSTALLATION AND MAINTENANCE

All equipment on Customer's Net-Metering Facility, including any required disconnection switch and synchronization equipment on the point of delivery, shall be provided, installed and maintained in compliance with the manufacturer's installation, operation and maintenance instructions, applicable Codes, guidelines and standards and shall remain the property and responsibility of the Customer. The Customer shall be responsible for protecting its Net-Metering Facility, protective devices, and other system components from damage due to the normal and abnormal conditions and operations that occur on the Distribution Network Operator system in delivering and restoring power. The Distribution Network Operator shall bear no liability for Customer's equipment from consequences of its operation or mis-operation.

9. METERING

The Distribution Network Operator shall install, own and maintain at its sole expense all kilowatt hour meter(s) and associated equipment to measure the flow of energy in both directions. The Customer shall provide at its own expense adequate facilities necessary for the installation of the meter(s) and associated equipment including, but not limited to, a current transformer enclosure (if required), meter socket(s) and junction box(es).

10. INTERCONNECTION

The Customer shall provide the interconnection facilities on Customer's side of the meter at its expense. At Customer's expense, the Distribution Network Operator shall make reasonable modifications to Distribution Network Operator's distribution system necessary to accommodate Customer's Net-Metering Facility and to maintain quality service to Distribution Network Operator's other non-generating customers.

11. INSURANCES

The Customer shall procure and maintain an insurance cover for personal injury and property damage arising from operations of the Net Metering facility and the insurance cover shall form part to this Agreement.

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12. PERMITS

The Customer shall obtain and maintain all permits, consents and authorization required by law, by local or by any other Governmental authorities, in order to construct, install, and operate the Net-Metering Facility.

13. DELIVERY INTERRUPTIONS

13.1. The Distribution Network Operator shall not be obligated to accept deliveries and may require the Customer to interrupt or constrain deliveries:

13.1.1. to allow the Distribution Network Operator to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or

13.1.2. if the Distribution Network Operator reasonably determines that curtailment, interruption, or reduction is necessary because of force majeure, emergencies, forced outages, or compliance with the Grid Code or Distribution Code.

13.2. Whenever possible, the Distribution Network Operator shall give the Customer reasonable notice of the possibility that interruptions or reduction of deliveries may be required.

13.3. If at any time the Distribution Network Operator reasonably determines that the Net-Metering Facility endangers the Distribution Network Operator's personnel or other persons or property, or that the continued operation of the Net-Metering Facility may endanger the integrity or safety of the grid, or that the Customer is not operating the system in compliance with the terms and conditions of this agreement, then the Distribution Network Operator shall have the right to disconnect and lock out the Customer's Net-Metering Facility from the grid system until the Distribution Network Operator is satisfied that the Net-Metering Facility can operate in a safe and compliant manner.

13.4. The Distribution Network Operator shall not be obliged to compensate the Customer for any loss of use of the Net-Metering Facility or loss of energy sales volume due to any unavailability of the grid.

14. EXCLUSION OF THIRD PARTY

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

15. TERMINATION

15.1. The Distribution Network Operator may terminate this Agreement for any violation of its terms or, if there are changes in the law that materially affects the performance of this Agreement. The Net-Metering Facility of Customer shall be permanently disconnected from the Distribution Network Operator's electric distribution system upon termination, and shall be permanently disconnected upon completion of the Agreement's Term if no subsequent Agreement is executed.

15.2. The Customer may terminate this Agreement if all three of the following conditions are met: Customer (1) provides notice to the Distribution Network Operator that it desires to terminate this Agreement; (2) provides notice that Customer has permanently

disconnected the Facility from Distribution Network Operator's electric distribution system; and (3) Distribution Network Operator has an opportunity to verify that such disconnection has occurred.

- 15.3. If at any time the Distribution Network Operator discovers that the Net-Metering Facility has been connected to the Distribution Network Operator's distribution system without the permission of the Distribution Network Operator and without a valid and existing Interconnection Agreement in place, Distribution Network Operator may discontinue electric services to the premises in accordance with the applicable laws.

16. INDEMNITY AND LIABILITY

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying Party's engineering design, construction ownership or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such Party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to the Party's negligence.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a party to this Agreement. No Party, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design construction, ownership, maintenance or operation of, or make replacements, additions or betterment to, the Customer's facilities by the Customer or any other person or entity.

17. CONSENT TO RELEASE CUSTOMER-SPECIFIC INFORMATION

The Customer consents to permit the DISTRIBUTION NETWORK OPERATOR to release customer-specific information of Customer's Net-Metering Facility to the Energy and Water Utilities Regulatory Authority, any other Government entity and the general public including this Agreement for any purpose including evaluating the feasibility of installing a Net-Metering Facility and appraising the performance of the Net-Metering Facility for statistical purposes over the term of this Agreement.

18. AMENDMENTS

This Agreement may only be changed or amended by a writing signed by the authorized representatives of both Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the ____ day of the month of _____, 20____, each signatory duly authorized by its respective entity to enter freely this Agreement and to be bound by the terms and conditions contained herein.

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SIGNED BY DISTRIBUTION NETWORK OPERATOR :

Signature _____
Name: _____
Title: _____

WITNESSED BY:

Signature: _____
Name: _____
Title: _____

SIGNED BY CUSTOMER:

Signature: _____
Name: _____
Title: _____

WITNESSED BY:

Signature: _____
Name: _____
Title: _____

Dar es Salaam,
February, 2018

NZINYANGWA MCHANY,
Director General