



“Regulatory Matters for 2023”

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OUTLINE

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3. ECB Integrated Strategic and Business Plan 2021- 2026
4. Primary regulatory focus for 2023
5. Regulatory Instruments – an overview
6. Licensee Compliance
7. ESI Restructuring
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VISION

“To be the leading electricity regulator in Africa.”

MISSION

“To regulate the Namibian Electricity Supply Industry in a sustainable manner, in the interest of all stakeholders with regard to efficiency, affordability, safety and accessibility.”

VALUES

Professionalism

Integrity

Innovation

Sustainability

Transparency

ECB Mandate

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

ECB INTEGRATED STRATEGIC AND BUSINESS PLAN 2021 - 2026



- The following are the key strategic issues
 - Security of Electricity Supply
 - Affordability of Electricity
 - Access to Electricity
 - Reliability of Electricity Supply
 - Stakeholder Engagement and Brand Management
 - Adequacy of Legal and Regulatory Instruments
 - Effective and Efficient Human Capital Management
 - ECB Financial Sustainability
 - Improvement of Electricity Distribution Industry Performance

PRIMARY REGULATORY FOCUS FOR 2023



- ▶ **Objective: To attend to strategic issues**
 - Implementation of Regulatory Tools
 - Reviewing Some Key Regulatory Tools
 - Compliance with License Conditions
 - Development of Regulatory Tools
 - Industry Restructuring

IMPLEMENTATION OF REGULATORY INSTRUMENTS



- ▶ **Approved Rules 2021/22 – Ongoing promulgation**
 - Rules on the Redistribution and Resale of Electricity
 - MSB Rules
 - Electricity Storage Rules
 - Reviewed Safety Code
- ▶ **Approved Standards: Adopted and published in April 2021. Readily available for purchase from NSI**
 - Low Voltage Electrical Installation Wiring Standards (LVEIWS)
 - Distribution Infrastructure Standards (DIS)
 - Quality of Supply Standards (QoSS)
 - Quality of Service Standards (QoSS)

REVIEWING SOME KEY REGULATORY INSTRUMENTS



- ▶ **Transmission Grid Code**
 - Currently under review
- ▶ **Technical Rules**
 - Currently under review
 - Key stakeholders' engagement completed on 3rd of March 2023
 - Stakeholder workshop scheduled for 23 March 2023
- ▶ **ESI Performance Framework**
 - Currently under review
 - Framework to monitor licensees' performance
 - To be published annually in ECB annual report
 - Outcome to be shared and discussed with stakeholders
- ▶ **Net Metering Rules**
 - Currently under review
 - Stakeholder workshop planned for April 2023
- ▶ **Distribution Code Review**
 - Under 2023/24 FY

DEVELOPMENT OF REGULATORY INSTRUMENTS



- ▶ **Development of Embedded Generation Standards currently on going**
 - Workshop scheduled 24 March 2023
 - Final draft standards document approval by ECB Boards: end June 2023
 - Submit to MME for NSI adoption and publishing.
- ▶ **Electric Vehicles (EVs) Charging Stations Standards**
 - Under 2023/24 FY

COMPLIANCE WITH LICENSE CONDITIONS



▶ Technical Compliance Audits

- ▶ ECB's annual compliance audits and follow-up compliance audits will be conducted from May until Nov 2023 for the 2023/2024 FY
- ▶ Objective of audits is to establish the extent to which audited facilities comply with the stipulated license conditions, codes, standards and regulations
- ▶ Outcome of audits is used to compile the annual Namibia National Electricity Infrastructure Report
- ▶ Maintenance works carried out will be verified during audits if they correspond to what was indicated in the approved tariffs/ORM
- ▶ Licensees' procedures for engaging stakeholders when constructing lines on Private and Communal Property will be checked as per the letters issued in August 2022
- ▶ Licensees' procedures for climbing line poles will also be checked as per the letters issued in August 2022

▶ Economic/Financial Compliance

- ▶ ORM financial report for annual tariff adjustment

ESI RESTRUCTURING

▶ **Establishment of the Central RED**

- ▶ Initial phase of stakeholder consultations concluded
- ▶ Stakeholder consultations are on-going
- ▶ Stakeholder workshop took place on 8 December 2022 to consult on the recommendation
- ▶ Recommendation:
 - To consider City of Windhoek (with NamPower surrounding distribution Central) as a distributor on its own
 - To consider Okahandja and the whole of Omaheke Region joining CENORED
- ▶ Report shared with the Board and submitted to the Minister

▶ **Establishment of the Southern RED**

- ▶ Awaits the approval of SORED Agreements from AG's office
- ▶ Distribution situation in the south of the country is getting worse
- ▶ The ECB appointed a seasoned consultant to assist in the operationalisation of SORED
- ▶ The ECB and consultant to engage stakeholders affected
- ▶ Involves consulting stakeholders affected

▶ **REDs to assisting local authorities outside existing RED areas**

ESI RESTRUCTURING CONT...

- ▶ **Solar PV Rooftop rental / lease agreements**
 - ▶ Increased in number of service providers that offer equipment rental/lease agreements for PV rooftop systems
 - ▶ Pure rental or rent-to-own agreement
 - ▶ Regarded as selling electricity
 - ▶ Stakeholder consultation meeting held on 1 July 2022
 - ▶ Resolved to make a ruling that is fair to all parties concerned, not stifling innovation in the ESI
 - ▶ ECB consider an exemption from licensing requirement with conditions to be issued
 - ▶ Proposed Ruling notice issued during November 2022
 - ▶ ECB received inputs on the ruling from stakeholders
 - ▶ Workshop planned for April 2023
 - ▶ ECB to make a ruling after conducting a Regulatory Impact Assessment.

ESI RESTRUCTURING CONT...

- ▶ **Token Identifier (TID) Rollover**
 - ▶ On 24 November 2024, all prepaid meters based on Standard Transfer Specifications (STS) technology will stop dispensing electricity
 - ▶ TID rollover event information available on www.tidrollover.com
 - ▶ Letters sent out on 13 September 2022 requesting licensees to share their readiness plans
 - ▶ Very few licensees shared their implementation plans; most have not
 - ▶ National stakeholders' awareness workshop planned for April 2023.

CONCLUSION

- ▶ TID rollover to be taken seriously as the clock is ticking
- ▶ Innovations don't have to be major developments in technology or new business models
 - Small steps yielding to great results
 - Enhances easy regulation
 - Can be achieved through ESI collaboration

Thank You!



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