



ANNEXURE A

**SUPPLEMENTARY CONTRACT FOR EMBEDDED GENERATION**

(Supplementary to the electrical supply application form)

If required by the Estate Management, this supplementary contract agreement is to be entered into between the Estate and Residential or Commercial or Industrial Consumers. The Estate may, however, implement a shortened format of this agreement for Residential Consumers.

Made and entered into between -

**PINNACLE POINT ESTATE**

(Hereinafter referred to as the “Estate”)

and

.....

(Hereinafter referred to as the “Customer”)

.....

Erf No

WHEREAS the Customer has applied to the Estate for the connection of an embedded generator and the Estate is prepared to approve the connection in accordance with the terms and conditions of this contract.

AND WHEREAS the Estate and the customers are desirous of entering into a written contract recording and regulating the terms and conditions relating to the connection of the embedded generator;

NOW THEREFORE THE PARTIES HERETO HAVE AGREED EACH WITH THE OTHER:

**DEFINITIONS**

In this contract the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

1.1 “Anti-Islanding” shall mean the ability of an embedded generation system to instantly and automatically disconnect the generator from connection to the Estate’s electrical grid whenever the Estate’s electrical grid has lost the supply of power from the national electricity grid, thus preventing the export of electricity to the Estate’s electrical grid from the embedded generator. This is done primarily to protect the Estate’s workers who may be working on the Estate’s electrical grid and who may be unaware that same is still being energized by the embedded generator.

1.2 “ESTATE” shall mean the Pinnacle Point Estate

1.3 “Customer” shall mean: (individual/company name)

.....for Erf No.....

Company/close corporation registration number (if applicable) .....

1.4 “Contract” shall mean this contract together with the Schedules and Annexures hereto.

1.5 “Effective date” shall mean the first business day following the date of signature by the customer, provided that connection to the Estate’s electrical grid shall only be permitted as provided in terms of this contract.

1.6 “Electrical installation” shall mean any machinery, in or on any premises, used for the transmission of electricity from a point of control to a point of consumption anywhere on the premises, including any article forming part of such an electrical installation irrespective of whether or not it is part of the electrical circuit.

1.7 “Embedded generator” shall mean an electricity generating device, such as a photovoltaic panel that is connected to the customer’s electrical installation beyond the point of control.

1.8 “Energy import” shall mean the energy flowing from the Estate’s electrical grid into the Customer’s electrical installation.

1.9 “Energy export” shall mean the energy flowing from the customer’s electrical installation back into the Estate’s electrical grid.

1.10 “Kilowatt hour” shall mean the consumption or generation of electrical energy equivalent to one kilowatt of power sustained for one hour.

1.11 “Law” shall mean the Electricity Regulation Act, (Act No. 4 of 2006), or other enactment having force of law.

1.12 “Main supply contract’ shall mean the existing contract in place between the Estate and the Customer for the supply of electrical power at the premises, as contained in the documentation signed at the time of applying for an electrical connection.

1.13 “Month” shall mean the period between successive monthly meter readings made in terms of this contract, irrespective of whether such readings are taken on the last day of the calendar month; provided that if, in terms of this contract, meter readings may be estimated should the actual reading of the meter not be possible in any particular month.

1.14 “Net Consumer” shall mean a Customer who over a period of a year or a month, depending on the tariff structure, imports (purchases) more energy than he/she exports (puts back into the Estate’s electrical grid).

1.15 “Point of control” shall mean the point at which an electrical installation on or in any premises can be switched off by a user or lessor from the electricity supplied from the point of supply.

1.16 "Parties" shall mean the Estate and the Customer.

1.17 "Point of supply" shall mean the actual supply point on the Estate's electrical grid as described in Schedule 1 hereinafter.

1.18 "Prescribed tariff" shall mean the approved Estate's tariff of charges for electricity and services, as amended from time to time.

1.19 "Rated generator capacity" shall mean the maximum output of the embedded generator as advised by the Customer to the Estate, being for example the sum of the outputs, in kVA, of all invertors connected to embedded generators and the Customer's installation.

## **1. INTERPRETATION**

1.1 Unless inconsistent with the context, an expression which denotes:

2.1.1 any gender includes the other genders;

2.1.2 a natural person includes a juristic person and vice versa;

2.1.3 the singular includes the plural and vice versa.

2.2 The headings of the clauses of this contract shall not be deemed part of or affect the interpretation or construction thereof.

2.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it only appears in a definitions clause, effect shall be given to it as if it were a substantive provision in the body of this contract.

## **2. CONNECTION OF EMBEDDED GENERATOR**

The Estate undertakes to approve the connection of an embedded generator, as described in the Regulations for Small Scale Embedded Generation to this agreement, by the Customer at the premises, subject to the terms and conditions of this contract. The Customer may only, other than for the purposes of carrying out tests and commissioning, connect his/her/its SSEG installation to the Estate's electrical grid upon receipt of a written letter from the Estate Management Department giving consent for such connection.

## **3. PERIOD OF CONTRACT**

This contract shall commence on the effective date and shall continue indefinitely unless terminated by either party, in terms of Clause 21 of this contract.

## **4. CESSION**

The customer shall not cede or assign this contract or any part thereof or any benefit, obligation or interest herein or hereunder without the prior written consent of the Estate. Should a house be sold, the Purchaser shall sign an agreement as part of the consent requirements, including the provision of a new Certificate of Compliance.

## **5. CURTAILMENT OF GENERATION**

The Customer shall, if and when required and on instruction by the Estate, reduce peak generation during abnormal system conditions or low load periods.

## **7. DISCONTINUANCE OF ESTATE'S ELECTRICAL GRID CONNECTED GENERATION**

An embedded generator which has been decommissioned must be physically disconnected from the Estate's electrical grid by the removal of all wiring which connects the inverter/s with the Estate's electrical grid.

Estate electrical grid connected generation will only be considered by the Estate as being disconnected from the Estate's electrical grid once the customer has notified the Estate in writing on the prescribed form and provided the Estate with a copy of the Certificate of Compliance covering the removal of the wiring.

## **8. NOTIFIED MAXIMUM EMBEDDED GENERATOR OUTPUT**

- 8.1 The notified maximum output of the embedded generator is as specified in the Regulations.
- 8.2 If the Customer proposes increasing the maximum output of the embedded generator, he/she/it shall not implement such increase without the consent of the Estate, which shall not be granted to the customer until: -
  - 8.2.1 the Customer has submitted an additional embedded generator application for an upgrade of an existing system to the Estate; and
  - 8.2.2 the parties enter into a new contract; and
  - 8.2.3 any work required on the parties' electricity networks have been completed, to the satisfaction of the Estate.
  - 8.2.4 The relevant increase in levies has been paid in full.

## **9. NET CONSUMER**

- 9.1 Consent to the connection of an embedded generator is given subject to:
  - 9.1.1 the condition that the Customer remains a net consumer of electricity over a rolling period of twelve months, starting: July and ending 30 June of each year or a period of one month depending on the tariff structure. If, however, a Customer becomes a SSEG customer in between July and June and the rolling period is twelve months, the next metering period will be from the month the installation becomes operative to 30 June, following the normal annual rolling period thereafter.
  - 9.1.2 the condition that the embedded generator shall not exceed the maximum generator output figure stipulated in Schedule 1 hereinafter.
- 9.2 Should the customer not remain a net consumer he/she/it shall be deemed to be in breach of this Contract in terms of section 20.

## **10. RESIDENTIAL, COMMERCIAL OR INDUSTRIAL CUSTOMERS**

- 10.1 These customers shall only be entitled to the benefit of being provided with a credit in terms of the Feed-in rate if he/she/it has a bona fide need to feed power back into the Estate's electrical grid each month. Should this not be the case, the Estate Management will require that the customer have a conventional meter (if it does not already exist) and reverse power flow blocking protection installed, so as to place the Customer on the SSEG domestic, commercial or industrial consumption tariff without the credit.
- 10.2 All costs for metering changes will be for the Customer's account.

## **11. PRICES FOR ELECTRICITY**

- 11.1 The Customer's Estate account shall be credited for energy generated by the embedded generator and exported to the Estate's electrical grid in the amount/s reflected in the Estate's annual tariff relating to the import and export of electrical energy for embedded generation.

- 11.2 At the time that the Customer ceases to be on the small scale embedded generation tariff, any remaining credit balance will be refunded to the Customer on written request provided that the Customer has no other outstanding Estate debt.
- 11.3 The aforesaid tariffs are amended annually on 1 July, as regards quantum and structure, and are applicable to all existing and new embedded generators. The Estate reserves the right to make amendments to the tariff as stated and does not warrant the financial viability of the Customer's embedded generation installation.
- 11.4 A schedule of the tariffs set by the Estate shall be furnished to the customer upon written request to the Estate. Unless advised otherwise, the electricity tariffs are the same as those of Mossel Bay Municipality.
- 11.5 The Estate shall not be obliged to grant credit to the Customer for power not received onto the Estate's electrical grid due to unavailability of the Estate's electrical grid or for any other reason.

## **12. SUPPLY TO THIRD PARTY PROHIBITED**

The Customer shall not supply any electricity generated on the premises under this contract to any third party on any other premises in any way.

## **13. COMPLIANCE WITH THE ESTATE'S TECHNICAL REQUIREMENTS**

- 13.1 It is an express condition of this contract that the customer ensure that the SSEG equipment remains compliant with the Estate's technical requirements and if it does not do so the Customer will be in breach of this contract.
- 13.2 The Estate reserves the right to (not unreasonably) alter its requirements, for whatsoever reason, and the Customer will be obliged to ensure, at the Customer's cost, that the SSEG equipment complies with the additional / altered requirements.

## **14. QUALITY OF SUPPLY**

- 14.1 In accordance with the Electricity Regulation Act, as amended, the Customer shall be responsible for maintaining the quality of supply from the embedded generator within the limits set out in the NRS 048 Quality of Supply and NRS 097 Grid Interconnection of Embedded Generation specification, with which the Customer acknowledges himself/herself/itself to be acquainted.
- 14.2 The Estate shall not be liable for any loss or damage, direct or consequential, suffered or sustained by a Customer as a result of or arising from the cessation, interruption or any other abnormality of the supply of electricity, unless caused by negligence on the part of the Estate.

## **15. ESTATE ELECTRICAL GRID STABILITY**

The Customer shall ensure that the anti-islanding functionality of the generation equipment is in good operational order to ensure the safety of the Estate's personnel. Such functionality may be inspected by the Estate's Management at the Estate's discretion.

## **16. MEASUREMENT OF IMPORT AND EXPORT OF ENERGY**

Measurement of imported and exported energy shall be carried out monthly.

The energy import and export re-cancellation in terms of the Net Customer/Consumer principle shall be for the annual period 1 July to 30 June or monthly depending on the tariff structure. In the case of a twelve month rolling period, the re-cancellation of a customer exporting energy after 1 July will be done for the year such that the month for the evaluation will be in all instances on 30 June.

## **17. BILLING AND PAYMENT OF CHARGES**

The Customer shall be liable for all levies as per the Estate's Electricity Tariffs as amended from time to time.

Customers who have had a bidirectional AMI credit meter installed and are on a small scale embedded generation tariff will presently be charged as per the Pinnacle Point Municipality's SSEG tariff, which is item 6.5 in their tariff book.

The Estate's HOA is not VAT registered so all charges and rates are net figures.

## **18. GENERATION LICENCE**

The Electricity Regulation Act presently stipulates that electrical grid connected generators shall obtain a generating licence. "Generating for own use" is excluded from this requirement. It is recorded that clarification is still required from the National Energy Regulator of South Africa whether generators who are net customers are considered to be "generating for own use". The customer bears all the risk regarding any liability which might arise from any change or clarification made by NERSA in this regard, and specifically indemnifies the Estate with regard to any such risk or liability.

## **19. THE PARTIES' OBSERVANCE OF APPLICABLE LEGISLATION**

The parties shall in addition to complying with the terms and conditions of this contract also comply with the provision of any law which may have application to this contract.

## **20. BREACH**

20.1 Should either party hereto breach or fail to comply with any term or condition of this contract then the party aggrieved thereby shall give the defaulting party written notice to rectify such a breach.

20.2 In the event of the defaulting party failing to rectify such a breach within fourteen (14) days of the receipt of such notice, the aggrieved party shall be entitled to give written notice of termination of this contract to the other party. Such termination shall take effect upon receipt of such notice by the defaulting party.

20.3 Should either party repeatedly breach any of the terms and conditions of this contract in such a manner as to justify the aggrieved party in holding that the defaulting party's conduct is inconsistent with the defaulting party's intention to carry out the terms and conditions of this contract, then and in such event the aggrieved party shall without prejudice to its legal rights and remedies, be entitled to terminate this contract.

20.4 Termination of this contract shall be without prejudice to any other rights or remedies of the aggrieved party under this contract or at law and will not affect any accrued rights or liabilities of the aggrieved party at the date of termination.

## **21. TERMINATION**

This contract shall terminate with immediate effect upon the occurrence of any of the following events:

21.1 If either party fails to rectify a breach of this contract as provided for in terms of Clause 20.

21.2 If the customer gives two working days' notice in writing of him/her decommissioning and disconnecting the embedded generator.

21.3 If the main supply contract is terminated.

21.4 If the parties mutually agree to terminate this contract.

**22. GENERAL CONDITIONS**

22.1 No alteration, cancellation, variation of or addition to this contract shall be of any consequence or effect unless reduced to writing and signed by the Estate and the Customer or their duly authorised representatives.

22.2 The schedules to this contract may be amended by an exchange of letters between the parties.

22.3 This Contract constitutes the entire supplementary contract between the parties hereto in relation to the Estate’s electrical grid connected embedded generator and neither of the parties shall be bound by any undertakings, representations, warranties, promises or the like not recorded herein.

22.4 No extension of time nor other indulgence granted by either party to the other in respect of either of the parties’ obligations will constitute a waiver of either of the parties’ right to enforce compliance with the terms of this contract; neither shall it constitute a novation of this contract.

22.5 The Customer acknowledges that he/she/it is entering into this contract voluntarily and at his/her/its risk. Accordingly he/she/it grants a full and sufficient indemnity in favour of the Estate against all risk or liability which may arise from the contract. This shall include any losses suffered by the Customer arising from negligence relating to the design or supply or no supply of power from the Estate’s electrical grid.

**23. DOMICILIUM CITANDI ET EXECUTANDI**

23.1 The Customer’s physical domicilium address must be an address located within the borders of the Republic of South Africa:

**The Estate:**

**The Customer:**

Pinnacle Point Estate

.....

1 Pinnacle Point Drive

.....

Mossel Bay

.....

Erf No .....

23.2 Any notice to any party shall be addressed to it at its domicilium aforesaid and be sent either electronically, by prepaid registered post or be delivered by hand. In the case of any notice:

23.2.1 Sent electronically or by prepaid registered post, it shall be deemed to have been received, unless the contrary is proved, on the seventh day after sent electronically or by posting; and

23.2.2 Delivered by hand, it shall be deemed to have been received, unless the contrary is proved, on the date of delivery, provided such date is a business day or otherwise on the next following business day;

23.2.3 Any party shall be entitled by notice in writing or electronically to the other, to change its domicilium to any other address within the Republic of South Africa, provided that the change shall become effective only fourteen (14) days after the service of the notice in question;

23.2.4 Any notice addressed to the Estate shall be required to be addressed to the Estate's Operations Manager, to be deemed to have been effectively delivered or served.

**24. JURISDICTION**

The parties hereby consent in terms of Section 45 of the Magistrate's Court Act No 32 of 1944 as amended to the jurisdiction of the Magistrate's Court of any district having jurisdiction in terms of Section 28 of the said Act, to adjudicate any dispute arising from this contract, provided that such consent shall not derogate from the right of either party to institute proceedings in the High Court.

**25. COSTS**

Each party shall bear his/her/its own costs incurred in the negotiation, preparation and settling of the terms of this contract.

**26. WARRANTY OF AUTHORITY**

Each party warrants to the other party that it has the power, authority and legal right to enter into, sign and perform in terms of this contract, and that this contract has been duly authorised by all necessary actions of its directors or person/s on whose behalf the signatory acts herein.

SIGNED AT.....THIS..... DAY OF.....20.....

**The Customer** :.....

As Witnesses: 1: .....

2:.....

SIGNED AT.....THIS.....DAY OF..... 20.....

**The Estate** :.....

As Witnesses: 1: .....

2:.....

**SUPPLEMENTARY CONTRACT FOR EMBEDDED GENERATION**

**SCHEDULE 1**

1. Details of premises:

a. Erf no. ....

b. Address .....

c. Name of building .....



- d. Meter position .....
- 2. Customer category: Residential / Commercial / Industrial \*
- 3. Supply voltage .....V(±10%) Single / Three phase \*
- 4. Type of meter .....
- 5. Rated generator capacity (inverter size) (AC side ) .....kVA
- 6. Notified maximum demand or Estate circuit breaker size of the property ..... kVA / Amps
- 7. Authorized capacity of the property ..... kVA / Amps
- 8. The tariff rate applicable to this supply is:  
 Tariff description/s.....
- 9. Allow export of excess power onto Estate’s electrical grid - Yes / No \*
- 10. Special power quality requirements:  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

*\* Delete what is not applicable*