

ENERGY REGULATION BOARD CALL FOR PUBLIC AND WIDER STAKEHOLDER COMMENTS ON DRAFT-3 NET METERING REGULATIONS OF 2024

As one of the approaches for stimulating the integration of variable renewable energy sources on the national power grid, two national documents – the *Zambian Distribution Grid Code* and the *National Energy Policy 2019* – speak to implementation of net-metering (NEM) in Zambia, whereby a retail consumer is allowed to generate electricity from any renewable energy source for own consumption, at site, and supply any surplus to the grid.

However, during the process of revising the *Distribution Grid Code* of 2016 from 2018 to 2022, one of the principles which the *Zambian electricity supply industry (ESI)* stakeholders agreed was to develop the revised *Distribution Grid Code* as purely a technical document. Thus, the revised *Distribution Grid Code* of 2024 is exclusive of all the non-technical aspects of NEM.

For the *Energy Policy, 2019*, the deployment of NEM in the *Zambian ESI* is encapsulated in Objective 3, through a policy measure to “Promote the adoption of innovative technologies in the management and operation of energy delivery systems“, with one of the activities being adoption of net-metering.

Against this background, the *Ministry of Energy (MOE)*, with the support of the *European Union (EU)* under the *Increased Access to Electricity and Renewable Energy Production (IAEREP)* project, undertook to develop the *Regulations* to detail how NEM should be implemented in the country.

As part of the process of developing the *NEM Regulations*, the *EU consultant* concluded the initial stakeholder engagement and the cost benefit analysis (CBA) in September 2021. The CBA considered the effects of NEM on the utility companies and national revenue. The CBA results indicated that the implementation of NEM would have net-positive effect on the financial situation of the electricity utilities and, ultimately, the country.

Based on the positive results of the CBA, the consultant, in conjunction with key stakeholders including *MOE, ERB and ZESCO*, proceeded to develop the *Draft-1 NEM Regulations of 2022*, after which the wider *ESI stakeholders and the general public* were invited to propose enhancements to the *Draft-1* in August/September 2022. Stakeholders proposed useful comments which were incorporated by the consultant to come up with *Draft-2 Net Metering Regulations of 2023*, which was submitted to *MOE* by *IAEREP* in 2023. *MOE* requested the *ERB* to review and conclude the *Draft-2 Regulations of 2023* before they could be promulgated through statutory instrument. For its part, the *ERB* constituted an *ad hoc* *Technical Committee* of local experts to thoroughly review the *Draft-2 NEM Regulations*, in order ensure that they are not overlapping or duplicating provisions in other existing regulations, as well as to identify and mitigate any negative provisions in *Draft-2 Regulations*.

The *Technical Committee* concluded its assignment and came up with *Draft-3 Net Metering Regulations of 2024*, which has a few fundamental differences from *Draft-2*.

It is for this reason that the *ERB* hereby subjects the *Draft-3 Net Metering* to wider stakeholders for final comments before the *Draft* is submitted to *MOE*. The comments are expected no later than *Wednesday 28th February 2024, 17:30 hours*, as per detailed instructions on the attendant document.