



The City of Cape Town is developing a number of 'Info Sheets' to provide further details on small-scale embedded generation (SSEG) requirements and registration. This is **not applicable** to solar water heaters (SWHs) or solar geysers.

## SOLAR PV INFO SHEET #1: July 2018

### SSEG Tariff

The SSEG tariff compensates you for the excess electricity your solar photovoltaic (PV) system produces. It is structured to support PV system owners while covering the costs of your electricity service.

#### □ What is the SSEG tariff?

The small-scale embedded generation (SSEG) tariff is an electricity payment structure that, charges customers for their energy purchases and use of the grid, as well as compensates customers for the excess electricity they feed onto the grid from their PV system.

#### □ How is the SSEG tariff structured?

The tariff is comprised of three parts: a daily service charge, a two-tier energy consumption charge and a feed-in tariff. The daily service charge is a set amount paid daily for the use of the grid and covers grid operation and maintenance and a rates contribution. The two-tier consumption charge is the amount paid per kWh purchased from the City. The cost per kWh increases after 600 kWh is used. All other residential tariffs also have two-tiered consumption charge systems. The feed-in tariff is the amount the City credits for electricity fed back onto the grid per kWh. The feed-in tariff is covers what the City pays Eskom for energy purchased.

#### □ Which tariff do different types of PV systems require?

- **Grid-tied feed-in and hybrid:** Customers with feed-in and hybrid PV systems will be required to switch to the SSEG tariff. These customers must also install/have an AMI meter.
- **Grid-tied with reverse power flow blocking:** Customers, not intending to feed onto the grid with reverse power flow blocking devices installed can remain on their current tariff and must install/have a prepaid meter.
- **Off-grid:** Customers with off-grid PV systems can remain on their current tariff and current meter.

### Key facts:

- The SSEG tariff is an electricity payment structure comprised of a daily service charge, an electricity consumption charge and a feed-in tariff.
- Grid-tied feed-in and hybrid PV systems require customers to switch to an SSEG tariff. Other types of PV systems allow customers to stay on their current tariff.



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## Key facts:

- The SSEG tariff allows you to be compensated for the excess electricity your PV system produces.
- The SSEG tariff can save you money! Other strategies for saving money include shifting your electricity usage.
- Over a 12-month period you must buy more energy from the City than you sell.
- Tariffs cover the cost of electricity, operations & maintenance of the grid plus a rates contribution. The SSEG feed-in tariff covers all these components

### ❑ Why would I want to go on the SSEG tariff?

The SSEG tariff credits your account when you produce excess electricity. If you do not wish to go on the SSEG tariff, you can install a reverse power flow blocking device. If you have reverse power flow blocking, you will not be compensated for any excess electricity you produce.

### ❑ Why is the daily service charge higher on the SSEG tariff than the Home User tariff?

The SSEG tariff is designed to be cost reflective which means that you are charged for your energy and use of the grid at the rate that it costs the City. The lower energy rate covers the cost of power purchases from Eskom, while the daily service charge covers your portion of the upkeep of the grid.

### ❑ How can I maximize my savings?

You can maximize your savings by shifting loads. If you shift loads such as pool pumps, geysers and washing machines to use electricity when your PV system is at peak generation, then you will minimize your electricity bought from the grid.

### ❑ Can I make a net-profit on my electricity bill?

No, you must be a net consumer of electricity. This means you must purchase more electricity than you sell over a 12-month period. This is the City's interpretation of National Energy Regulator of South Africa (NERSA) regulation.

### ❑ Why can't I feed electricity onto the grid at the same tariff I consume?

The City's interpretation of national regulation mandates that the City may not purchase electricity from SSEGs, such as residential PV systems, at a greater cost than it would buy from Eskom. Additionally, the tariff covers more than just the cost of electricity, including grid operation and maintenance and rates contribution. If customers could feed onto the grid at the same cost that they buy electricity for, then they would be avoiding paying for these services.

### ❑ Start registration at [www.capetown.org.za/SolarPV](http://www.capetown.org.za/SolarPV)

### ❑ See [www.savagelectricity.org.za](http://www.savagelectricity.org.za) for more information.

