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The Electricity Act, 2003, or "Electricity Act," is the principal legislation that regulates the generation, transmission, distribution, trading and use of electricity in India. The Electricity Act governs the establishment, operation and maintenance of any energy generating company and prescribes technical standards in relation to its connectivity with the Indian power grid. The Electricity Act provides that an energy generating company may establish, operate and maintain a generating facility without obtaining a license under the Electricity Act if it complies with the prescribed technical standards relating to connectivity with the power grid. In addition, an energy generating company is permitted to sell electricity to any distribution or trading licensee and, where permitted by the respective state regulatory commissions, to consumers subject to availing open access to the transmission and distribution systems and payment of applicable charges.

The Electricity Act establishes a two-level regulatory system: (i) the Central Electricity Regulatory Commission, or "CERC," is responsible for regulating the tariff charged by generating facilities owned by the Indian government and other independent power producers involved in generating or supplying electricity in more than one state, and for regulating the inter-state transmission of electricity, and (ii) State Electricity Regulatory Commissions, or "SERCs," are responsible for regulating intra-state transmission and supply of electricity within each of their respective states. These commissions are responsible for a variety of functions, including determining tariff levels, granting licenses, settling disputes between the generating companies and the licensees.

The Indian government has established the Ministry of New and Renewable Energy, or "MNRE," to facilitate on a national level research, development, commercialization and deployment of renewable energy systems for various applications in rural, urban, industrial and commercial sectors. In 2011, the MNRE established the Solar Energy Corporation of India, or "SECI," as a not-for-profit company to facilitate the development of solar energy generating capacity in India.

In general, feed-in tariffs applicable to solar projects are determined through one of the following procedures under the Electricity Act:

- a "cost plus" method under which the appropriate regulatory commission determines the tariff based on the actual capital cost of the project, normative debt to equity ratios and other parameters prescribed under the multi-year tariff regulations adopted by the commissions; and
- a competitive bidding process in accordance with the guidelines issued by the appropriate regulatory commission.

In the case of wind power projects, feed-in tariffs are determined taking into account capital cost submissions by various stakeholders and certain operation and maintenance costs and have been announced by the SERCs in certain states, such as the States of Andhra Pradesh, Gujarat and Tamil Nadu, pursuant to the applicable policy in the respective states.

South Africa

South Africa has a framework of legislation and regulations governing its energy sector. The Renewable Energy Independent Power Producer Procurement, or "REIPPP," program is a governmental procurement program that effectively requires solar and wind projects in South Africa to comply with this framework, including the various acts and policies regulating the governmental procurement process generally, the most important of these being the Public Finance Management Act and the Broad-Based Black Economic Empowerment Act, and the various acts and policies regulating South African businesses generally and therefore also independent power producers, such as environmental, health and safety laws.