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The National Energy Regulator of South Africa, or "NERSA," is the primary regulator of South Africa's energy sector and is responsible for regulating electricity, piped-gas and petroleum pipeline industries. Solar and wind projects are governed by the Electricity Regulation Act, which is the primary enabling legislation for the REIPPP program, and by other legislation applicable to water affairs, environmental affairs, agriculture, forestry and fisheries and mineral resources. Under the REIPPP program, a solar or wind project is regulated as an independent power producer and is authorized to produce and sell electricity to Eskom, the country's largest state-owned power utility, pursuant to a license issued by NERSA. A solar or wind project is not generally subject to regulation as a public utility in the traditional sense and, thus, is exempt from complying with South Africa's complex system of power producer and procurement rules and regulations that are applicable to Eskom.

Honduras

In May 2014, Honduras passed the Law for the Electric Industry that established a new regulatory framework for the electricity generation market. The market is regulated by three entities: (i) the Ministry (the superior authority in the electricity subsector); (ii) the Electricity Regulatory Commission, a decentralized entity charged with granting operating licenses, defining the methodology for calculating rates, maintaining a public registry of the companies participating in the electricity sector and sanctioning illegal activity; and (iii) the Systems Operator, an entity overseeing all technical aspects of the electricity generation market, including proper coordination of the generation and transmission system and controlling the operations of the national grid.

This law authorizes any company to participate in the electricity generation market with the proper licensing. It guarantees free access to the grid, as all transmission and distribution companies are obligated to permit connection by other companies to their networks. This law also prohibits transmission companies from generating, distributing and commercializing electric energy and distribution companies from generating electric energy, with few exceptions, to be certified by the Electricity Regulatory Commission.

Costa Rica

The Costa Rican Electricity Institute, or "ICE," controls the generation, transmission, and distribution of electricity in Costa Rica. The Costa Rican "Law to Authorize Private Large-Scale Electricity Generation" (Laws No. 7200 and 7508) and its related legislation, authorizes the private generation of renewable energy in Costa Rica by "limited capacity renewable energy plants." These laws provide that the private sector may participate in the generation of electricity with the sole purpose of selling power to ICE, including providing for (i) the criteria and process for a private party to be selected as a power supplier for ICE, (ii) the types of projects which fall within the scope of the Law, (iii) the national quota for private electricity generation, (iv) tariffs and (v) the jurisdiction of Costa Rican entities.

Any company incorporated in Costa Rica may apply to supply power to ICE under a competitive public bidding scheme, so long as no foreign person holds more than 65% of share capital of such company.

The renewable energy public bidding scheme is designed to provide power generators with guaranteed payment under long-term PPAs, which are awarded for 20 years to renewable power producers that offer the lowest tariff per kWh for a given technology.

To be authorized to participate in the bidding process, companies must first obtain a "declaration of eligibility" from ICE that confirms that the project meets certain minimum requirements established in the regulation. Depending on whether the investor chooses either a BOO (build, operate, own) or BOT (build, operate, transfer) regime, the plant's production capacity cannot surpass 20 MW (for BOO projects) or 50 MW (for BOT projects). In its offer to ICE, the prospective participant must establish the tariff at which it will sell power. Once the company has been selected by ICE to supply power, they will negotiate a PPA to formalize the terms of the agreement.