

Criteria for allocations 2012/13 :Date: 2011-09-05 – 2011-09-06

The following criteria shall apply in allocating funding for electrification projects.

Topic	Issues
General	<ul style="list-style-type: none"> ○ All applications for funding should be clearly filled ○ Projects continuing from previous year will receive top priority ○ If project co-ordinates are not obtained within 14 days after the project was recommended for funding, the project will be withdrawn. ○ Past performance will also play a big role in deciding allocations.
Backlog	<ul style="list-style-type: none"> ○ Municipalities with high backlog will receive high priority, especially when they are in rural areas. ○ Municipalities with less than 5000 backlog and no bulk challenge will be prioritized as per eradication of low backlogs strategy.
Normal households	<ul style="list-style-type: none"> ○ Verified projects will be prioritized for funding; project visit form should be supplied.
Farm dweller houses	<ul style="list-style-type: none"> ○ Will only be considered if there is a Point of supply and the farmer committed to top-up the subsidy if necessary, projects should have been verified
Un-proclaimed areas	<ul style="list-style-type: none"> ○ Un-proclaimed areas will be prioritized only if they are supported by a letter signed by the Municipal Manager and all the conditions of the policy are met.
Nodal Areas	<ul style="list-style-type: none"> ○ Nodal areas will also receive preference.
Bulk infrastructure	<ul style="list-style-type: none"> ○ No Bulk infrastructure project will be funded without a business plan. ○ Every approved bulk infrastructure project should be revised annually to communicate with the recommended funding. The revision document should not be more than two pages, it should distinguish the following: (1) work accomplished in the first year, (2) milestones of what would be achieved in the current year, (3) and

	<p>the remaining amount of work.</p> <ul style="list-style-type: none"> ○ The output of the business plan should be clearly communicated ○ Assessment report should be produced ○ New substations will also receive priority in order to comply with the annual target of the 10 substations as per the DME strategic plan Targets. ○ Substation upgrades and building of lines that support electrification will also be considered.
Non-grid households	<ul style="list-style-type: none"> ○ Non-grid allocations do not form part of this meeting. Non-grid will be dealt with separately.
The following strategies will also be considered during the allocations	<ul style="list-style-type: none"> ○ Metro strategy ○ Informal settlement strategy ○ Under 5000 backlog strategy
Reimbursements	<ul style="list-style-type: none"> ○ Reimbursements shall only apply to projects that are agreed with the Department of Energy before the start of the projects. ○ No payment shall be done on these projects unless they are audited
Turnkey projects	<ul style="list-style-type: none"> ○ Framework for creation of electricity assets by municipalities not having the electricity distribution license
Cost per connection	<ul style="list-style-type: none"> ○ R 9300 and R8200 for rural and urban respectively

Approval of allocations criteria

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