

**APPLICATION FOR A LICENCE TO GENERATE
ELECTRICITY IN TERMS OF THE ELECTRICITY ACT (Act 3 of
2007)**

Please return completed form to:

Swaziland Energy Regulatory Authority
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E-mail: info@sera.org.sz

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SECTION A

PARTICULARS OF LICENCE APPLICATION

A.1 State nature of application (mark which is applicable):

- Issue of new Licence
- Renewal of Licence
 - Amendment of Licence
 - Transfer of Licence¹
 - Revocation of Licence
 - Exemption from obligation to hold a licence²

A.2 Desired period of validity of Licence

Desired commencement date _____/_____/_____ Desired validity period: _____ years

A.3 Other permits, approvals and authorisations obtained/required, e. g environmental, safety and health, land, etc.

A.4 In terms of the Licence Application Rules the applicant is obliged to advertise his licence application. Please attach a copy of the newspaper clipping attesting thereto.

SECTION B

PARTICULARS OF APPLICANT

B.1 Full name of applicant

B.2³ Identity number of applicant, or in the case of a body corporate, registration number:

B.3⁴ Nationality of applicant, or in the case of a body corporate, country of registration:

¹ The information required in this section must be provided with regard to both the licensee and the proposed transferee.

² Certain categories of generators may be exempt from holding a licence. Please see the SERA Exemption Rules.

³ Attach a copy of the registration papers.

⁴ Where the applicant is a company a board resolution authorising the applicant must be attached.

B.4 Shareholding diagram and structures in holding company, applicant and subsidiaries:
(Attach)

B.4 In the case of an authority created by law, the name of the law in terms of which that authority was established/created:

B.5 Physical and postal address of applicant:

B.6 Telephone number of applicant:

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B.7 Fax number of applicant:

()

B.8 E-mail of applicant (if any):

B.9 Contact person at applicant:

Name: _____

Position: _____

Telephone No: () _____

Fax No: () _____ E-mail: _____

B.10 Signature of Applicant

Submitted at _____ on _____ 2005

Signature _____

Name _____

Witnesses:

Signature _____

Signature _____

Name _____

Name _____

⁵ The highest administrative authority of the applicant must sign.

GEOGRAPHICAL AREA TO WHICH THE APPLICATION RELATES

The following information is required:

- (i) a map showing the proposed location where the applicant intends to erect or alter plant, where applicable;
- (ii) a description of the technical design, including a diagram of the proposed plant, and its surrounding electrical system, which the applicant intends to erect or alter, where applicable;
- (iii) a calculation of the net present value of the proposed plant and any alternative plants, which calculation must be in accordance with the guidelines determined by the Authority
- (v) submit a map to readily identify the area to which the application relates. Scale 1:10000
- (vi) provide a site map for each generation facility for which a licence is applied for.

SECTION D **PARTICULARS OF GENERATING STATION⁵**

(To be provided for each generation station separately)

D.1 Name of generation station

D.2 Location of generation station

D.3 Address of generation station

D.4 Contact person at generation station

Name	<hr/>
Position	<hr/>
Telephone Number	<hr/>

Fax Number	<hr/>
E-mail (if any)	<hr/>

⁵ D1-D5 to be filled in by all applicants. D8 to D11 must be filled in all generators except applications exemption in terms of the SERA Exemption Rules.

D.5 Type of generation station (i.e. thermal, hydro, gas turbine, diesel generator)

D.6 Use of the generation station – own use, commercial or own use and commercial

D.7 Date on which the generation station was commissioned for an existing station or the expected commissioning date for a proposed station.

D.8 The installation capacity of each unit within the generating station (MVA)

D.9⁶ Maximum generating capacity (MW) expected to be available from the generating station and energy to be produced (MWh) over the next / first 5 years of operation. These estimates should be based on modelling of how the power station will fit into the demand profile of its customers, taking into account the least cost energy purchase consideration and demand management options of customers.

YEAR	Nominal Capacity (MW)	Net Sent-out Capacity (MW)	Total Gross Production MWh	Own use MWh	Total Net Production – available for sale (MWh)
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					

⁶ In terms of Licence Application Rules, an Operational Plan must be attached.

D.10 If applicable, estimate of the energy conversion efficiency of the generating station.

D.11 Expected economic life of the generating station in years.

D.12 If the power station is not fully dispatchable (e.g. wind generators, co-generators, hydro generators, etc.) then provide a complete break down of when the station is likely to produce electricity. The breakdown should be specified per month, day of week and hour of day.

SECTION E

PARTICULARS OF ANY LONG TERM ARRANGEMENTS WITH PRIMARY ENERGY SUPPLIERS⁷

(To be provided for each generating station separately)

E.1 If applicable, name of primary energy supplier/s (mining house, colliery or other fuel suppliers)

E.2⁹ Particulars of the contractual arrangements with primary energy supplier

SECTION F

MAINTENANCE PROGRAMS AND DECOMMISSIONING COSTS⁸

(To be provided for each generating station separately)

⁷ This section should not be filled in by persons applying for exemption in accordance with the SERA Exemption Rules

⁹ Attach copies of any signed agreements.

⁸ This section should not be filled in by persons applying for exemption in accordance with the SERA Exemption Rules

F.1 Details of any proposed major maintenance programmes, including the expected cost and duration thereof, covering the next five years. Project proposal to state the expected availability, planned outage rate and forced outage rate over the first/ next five years of operation.

F.2 Details of any major decommissioning cost expected during the life of the power station and provided for in the project feasibility study.

F.3 Details of major generating station expansion and modification planned for in the feasibility study (Dates, cost in current (state year) SZL and depreciation)

SECTION G **CUSTOMER PROFILE**

(To be provided for each generating station separately)

G.1⁹ Particulars of the person or persons to whom the applicant is providing or intends to provide electricity from the generating station and particulars of the distribution of that electricity

SECTION H **FINANCIAL INFORMATION**

(To be provided for each generating station separately))

H.1 Submit statements of the accounts in respect of the undertaking carried out by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared. Cost data for each generating station is to be broken down into the following categories.

- 1.1 Primary Energy Cost (HFO, coal, gas, etc.)
- 1.2 Operations
- 1.3 Maintenance
- 1.4 Administration
- 1.5 Corporate overheads (specify method of allocating head office expenses)
- 1.6 Depreciation (specify method and rates)
- 1.7 Finance charges
- 1.8 Taxes

⁹ For example, supply to SEC. Any power purchase agreements entered into and the price structure of the contract must be approved by the Energy Regulatory Authority.

1.9 Capital expenses

1.10 Other

H.2 Submit annual financial and cost ratios with respect to the profitability, return on assets, cost per SZL of revenue, cost per kilowatt-hour sold and employees per unit of the generating stations.

H.3 Submit annual forecast for the next five years of cost, sales and revenue generated by the generating station(s), stating the assumptions underlying the figures.

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H.4 Submit a complete cash flow sheet per annum over the life of the project.

Submit a complete Income and Expenditure statement per annum over the life of the project.

Submit a detailed capital plan of all capital expenditure up to commissioning by month (including a breakdown of donor funded assets).

Provide information about operational expenditure up to commissioning by month divided between fixed and variable.

Submit a capital plan of all capital expenditure after commissioning on an annual basis together with ongoing and life extension capital.

Submit operational expenditure after commissioning annually divided between fixed and variable expenditures.

Submit the present value of the expected cost over the life of the generation plan.

Submit the present value of the energy of the life of the generation plant.

H.5 Project Financing: Provide a detailed description of the funding structure of the project. The description should contain the following:

- Submit a detailed funding plan including a list of investors, lenders and donor agencies.
- Provide the interest rates of all loans. If the project has debt to be redeemed in foreign currency, clearly indicate if a fixed rate would be negotiated. If not, indicate how the forex exposure would be mitigated to not adversely effect end consumers.
- Submit detailed information about the seniority of loans and clear agreed repayment plan.
- Submit a complete and detailed production plan.
- Submit a profile of energy production for a period of one year.
- Submit the possible assumptions about expected returns. Does the investor expect their returns in foreign currency? What, if any, instruments will be seen to mitigated the foreign currency exposure.
- Submit the tax implications on an annual basis.

SECTION I

ADDITIONAL INFORMATION

Please provide any other relevant information, which the applicant wishes to include with this application
