

## REFIT REGULATION FROM 2014

### REGULATION ESTABLISHING THE NEW AND RENEWABLE ENERGY FEED-IN TARIFF (*REFIT*)

#### CHAPTER I GENERAL PROVISIONS

##### Article 1 (Definitions)

For the purpose of applying this regulation, the following terms shall have the meanings indicated below:

- a) Resource base: any energy resource for which the price is defined, whether for hydroelectric, solar, biomass or wind energy.
- d) Power plant: the equipment, civil construction works, ancillary facilities and lines requires for the production and transmission of electricity to the delivery point.
- e) Biomass energy plant: a power plant whose resource base is biomass and installed capacity is 10 MW or less.
- f) Wind energy plant: a power plant whose resource base is wind and installed capacity is 10 MW or less.
- g) Solar energy plant: a power plant whose resource base is solar energy and installed capacity is 10 MW or less.
- h) Mini hydroelectric plant: a power plant whose resource base is hydroelectric potential and installed capacity is 10 MW or less.
- i) Committee of Independent Energy Producers (CPIE): the committee whose role it is to evaluate proposed projects for the development of new and renewable energies; it is made up of representatives of the Ministry of Energy, Electricidade de Moçambique, the Regulatory Authority and other entities considered relevant, which may be public or private.
- j) Concession: the authorisation granted by the competent authority to the Promoter to produce and sell electricity based on renewable energy resources.
- l) Independent energy producer (PIE): an individual or a public or private legal entity authorised to produce electricity based on renewable energy resources to be fed into the national electricity grid.
- m) Renewable Energy Feed-In Tariff (REFIT): the tariff defined for new and renewable energy projects with an installed capacity of 10 MW or less.

## Article 2 (Object)

The purpose of this Regulation is to establish the new and renewable energy feed-in tariff, also referred to in its abbreviated form as REFIT, with the aim of promoting REFIT as well as ensuring diversification of the energy matrix and the secure supply of electricity.

## Article 3 (Scope)

REFIT applies to electricity production projects based on renewable sources, developed by individuals or by public or private legal entities, pursuant to this Regulation, with a view to connecting the national electricity grid.

# CHAPTER II RENEWABLE ENERGY SOURCES AND THEIR TARIFFS

## Article 4 (Sources)

For the purposes of this regulation, new and renewable energy sources are:

- a) Biomass;
- b) Wind;
- c) Water;
- d) Solar.

## Article 5 (Biomass)

The tariffs to be applied for the sale of electricity produced by biomass power plants shall comply with the following structure:

- a) 5.74 MZN/kWh for power plants with an Installed Capacity of 500 kW;
- b) 5.46 MZN/kWh for power plants with an Installed Capacity of 750 kW;
- c) 5.36 MZN/kWh for power plants with an Installed Capacity of 1 MW;
- d) 5.02 MZN/kWh for power plants with an Installed Capacity of 2 MW;
- e) 4.65 MZN/kWh for power plants with an Installed Capacity of 3 MW;
- f) 4.56 MZN/kWh for power plants with an Installed Capacity of 4 MW;
- g) 4.43 MZN/kWh for power plants with an Installed Capacity of 5 MW;
- h) 4.34 MZN/kWh for power plants with an Installed Capacity of 6 MW;
- i) 4.25 MZN/kWh for power plants with an Installed Capacity of 7 MW;
- j) 4.15 MZN/kWh for power plants with an Installed Capacity of 8 MW;
- k) 4.12 MZN/kWh for power plants with an Installed Capacity of 9 MW;
- l) 4.06 MZN/kWh for power plants with an Installed Capacity of 10 MW;

Article 6  
(Wind)

The tariffs to be applied for the sale of electricity produced by wind power plants shall comply with the following structure:

- a) 8.00 MZN/kWh for power plants with an Installed Capacity of 10 kW;
- b) 7.63 MZN/kWh for power plants with an Installed Capacity of 50 kW;
- c) 7.13 MZN/kWh for power plants with an Installed Capacity of 100 kW;
- d) 6.67 MZN/kWh for power plants with an Installed Capacity of 150 kW;
- e) 6.39 MZN/kWh for power plants with an Installed Capacity of 200 kW;
- f) 6.36 MZN/kWh for power plants with an Installed Capacity of 250 kW;
- g) 6.11 MZN/kWh for power plants with an Installed Capacity of 500 kW;
- h) 5.86 MZN/kWh for power plants with an Installed Capacity of 750 kW;
- i) 5.61 MZN/kWh for power plants with an Installed Capacity of 1 MW;
- j) 5.27 MZN/kWh for power plants with an Installed Capacity of 2 MW;
- k) 4.99 MZN/kWh for power plants with an Installed Capacity of 3 MW;
- l) 4.81 MZN/kWh for power plants with an Installed Capacity of 4 MW;
- m) 4.65 MZN/kWh for power plants with an Installed Capacity of 5 MW;
- n) 4.50 MZN/kWh for power plants with an Installed Capacity of 6 MW;
- o) 4.34 MZN/kWh for power plants with an Installed Capacity of 7 MW;
- p) 4.22 MZN/kWh for power plants with an Installed Capacity of 8 MW;
- q) 4.19 MZN/kWh for power plants with an Installed Capacity of 9 MW;
- r) 4.12 MZN/kWh for power plants with an Installed Capacity of 10 MW;

Article 7  
(Hydroelectric)

The tariffs to be applied for the sale of electricity produced by hydroelectric plants shall comply with the following structure:

- a) 4.81 MZN/kWh for power plants with an Installed Capacity of 10 kW;
- b) 4.59 MZN/kWh for power plants with an Installed Capacity of 50 kW;
- c) 4.34 MZN/kWh for power plants with an Installed Capacity of 100 kW;
- d) 4.09 MZN/kWh for power plants with an Installed Capacity of 150 kW;



- e) 3.94 MZN/kWh for power plants with an Installed Capacity of 200 kW;
- f) 3.91 MZN/kWh for power plants with an Installed Capacity of 250 kW;
- g) 3.75 MZN/kWh for power plants with an Installed Capacity of 500 kW;
- h) 3.60 MZN/kWh for power plants with an Installed Capacity of 750 kW;
- i) 3.44 MZN/kWh for power plants with an Installed Capacity of 1 MW;
- j) 3.16 MZN/kWh for power plants with an Installed Capacity of 2 MW;
- k) 2.95 MZN/kWh for power plants with an Installed Capacity of 3 MW;
- l) 2.79 MZN/kWh for power plants with an Installed Capacity of 4 MW;
- m) 2.70 MZN/kWh for power plants with an Installed Capacity of 5 MW;
- n) 2.57 MZN/kWh for power plants with an Installed Capacity of 6 MW;
- o) 2.48 MZN/kWh for power plants with an Installed Capacity of 7 MW;
- p) 2.39 MZN/kWh for power plants with an Installed Capacity of 8 MW;
- q) 2.36 MZN/kWh for power plants with an Installed Capacity of 9 MW;
- r) 2.29 MZN/kWh for power plants with an Installed Capacity of 10 MW;

Article 8  
(Solar)

The tariffs to be applied for the sale of electricity produced by solar power plants shall comply with the following structure:

- a) 13.02 MZN/kWh for power plants with an Installed Capacity of 10 kW;
- b) 12.71 MZN/kWh for power plants with an Installed Capacity of 50 kW;
- c) 12.31 MZN/kWh for power plants with an Installed Capacity of 100 kW;
- d) 11.90 MZN/kWh for power plants with an Installed Capacity of 150 kW;
- e) 11.69 MZN/kWh for power plants with an Installed Capacity of 200 kW;
- f) 11.63 MZN/kWh for power plants with an Installed Capacity of 250 kW;
- g) 11.32 MZN/kWh for power plants with an Installed Capacity of 500 kW;
- h) 11.04 MZN/kWh for power plants with an Installed Capacity of 750 kW;
- i) 10.73 MZN/kWh for power plants with an Installed Capacity of 1 MW;
- j) 9.86 MZN/kWh for power plants with an Installed Capacity of 2 MW;
- k) 9.02 MZN/kWh for power plants with an Installed Capacity of 3 MW;

- l) 8.56 MZN/kWh for power plants with an Installed Capacity of 4 MW;
- m) 8.40 MZN/kWh for power plants with an Installed Capacity of 5 MW;
- n) 8.25 MZN/kWh for power plants with an Installed Capacity of 6 MW;
- o) 8.09 MZN/kWh for power plants with an Installed Capacity of 7 MW;
- p) 8.00 MZN/kWh for power plants with an Installed Capacity of 8 MW;
- q) 7.94 MZN/kWh for power plants with an Installed Capacity of 9 MW;
- r) 7.91 MZN/kWh for power plants with an Installed Capacity of 10 MW;

#### Article 9

##### (Application of the tariffs)

1. The tariffs established in the above articles shall apply to electricity produced by independent energy producers in power plants that use renewable sources and have a capacity of 10 MW or less.
2. The Minister responsible for energy may authorise its application for larger projects related to the national electricity network when they do not compromise the stability of the system and their implementation generates acceptable economies of scale.

#### Article 10

##### (Purchaser)

Electricidade de Moçambique is the public entity responsible for purchasing the energy produced by independent producers that use renewable sources, in accordance with this Regulation and with the technical, commercial, financial and economic criteria defined by the competent entity.

### CHAPTER III PROJECTS

#### Article 11

##### (Evaluation)

Projects proposed by independent energy producers are evaluated by the Committee of Independent Energy Producers based on the parameters to be defined by the competent entity within the framework of the REFIT programme.

#### Article 12

##### (Viability)

Projects are considered viable when the conception, design, planning and execution of a power plant using renewable sources complies with best industry practices in technical, commercial, financial, economic, environmental, legal or other relevant terms.

#### Article 13

##### (Project eligibility)

Only projects located within a radius of 10 km from the connection point to the national electricity grid at the time of concluding the power purchase and sale contract shall be eligible for the REFIT programme.



Article 14  
(Transfer of costs)

Electricidade de Moçambique is authorised to transfer the costs of connecting to the transmission system associated with projects duly licensed by the competent authority and eligible for the REFIT programme.

Article 15  
(Trading)

Trading of electricity within the framework of REFIT is undertaken in the national currency, without prejudice to payment of the debt service in the contract currency or the export of investors' capital in accordance with the applicable legislation.

Chapter IV  
TAX CHARGES

Article 16  
(Tax regime)

Projects for the production of electricity based on renewable sources are subject to the general tax regime in force in the country. Tax benefits may be granted provided that the project fulfils the legal requirements defined.

Article 17  
(Carbon credits)

The carbon credits resulting from the development of new and renewable energy projects shall be the property of the State; the government may, at its sole discretion, distribute the gains in a pre-negotiated proportion if it considers that such apportionment could constitute an incentive for a given independent producer with experience in the carbon credits market.

CHAPTER V  
FINAL PROVISIONS

Article 18  
(Land)

Access to the right to use and benefit from land for electricity production projects based on renewable energy resources must comply with the procedures established in the Land Act and the respective regulations.

Article 19  
(Tariff validity period)

1. The tariffs established in this Regulation shall be valid for a period of three years, after which time the Minister responsible for energy must propose the amendments deemed necessary, taking into account the recommendations of the Minister responsible for finance.
2. The Minister responsible for energy may propose amendments, as mentioned in paragraph 1 above, prior to the end of the period in the event that circumstances justify such amendments, taking into account the recommendations of the Minister responsible for finance.

Article 20  
(Infraction)

Any conduct, whether deliberate or negligent, that violates the provisions set out in this Regulation shall constitute an infraction and shall be punishable with fines to be defined by a joint Ministerial Order issued by the Ministers responsible for energy and finance.

Article 21  
(Entry into force)

This Regulation shall come into force 180 days after the date of its publication.