

SADC REGIONAL GRID CODE

General Conditions (draft)

[2] of [9] Code Documents

Version 0.7

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  SOUTHERN AFRICAN DEVELOPMENT COMMUNITY TOWARDS A COMMON FUTURE		
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GC1. Introduction

GC1.1.1 The *Regional Grid Code* covers a range of technical, operational, commercial and governance issues. In order to address these comprehensively in a structured way, the *Regional Grid Code* is broken down into a number of “sub-codes”. These are:

- (a) Preamble;
- (b) General Conditions including the governance rules (this document);
- (c) Glossary and Definitions;
- (d) Planning Code;
- (e) Operations Code;
- (f) Connection Code;
- (g) Information Exchange Code;
- (h) Metering Code; and
- (i) Market Code.

GC1.1.2 The preface, table of contents and headings are inserted for information and convenience only and shall not be used in construing the provisions of the *Regional Grid Code*.

GC1.1.3 The General Conditions describe the provisions of general application necessary for the overall administration of the *Regional Grid Code* governance arrangements and review of the various aspects of the *Regional Grid Code*. These General Conditions shall be read in conjunction with the other parts of the *Regional Grid Code* (including the definitions set out in the Glossary and Definitions), and the documents governing the SAPP, in the following order of precedence:

- (i) The Revised Inter-Governmental Memorandum of Understanding; and
- (ii) The Agreement Between Operating Members

GC1.1.4 The General Conditions also deal with the general conditions of the *Regional Grid Code* not covered in other provisions. The General Conditions (GC) describe the process that will be followed to update the *Regional Grid Code*, including improve safety, reliability and operational standards. It sets out how *Regional Grid Code Parties* can influence the updating process and defines who has the authority to recommend and ultimately approve and enforce changes. The General Conditions also explain oversight and compliance requirements that need to be observed by all *Regional Grid Code Parties*. Lastly, it addresses *Dispute* resolution mechanisms and the role of the *Grid Code Review Panel* in the process.

GC2. Objectives

GC2.1.1 The General Conditions contain provisions which are of a general nature and apply to all provisions of the *Regional Grid Code*. The objectives of the General Conditions are to ensure, to the extent possible, that the various provisions of the *Regional Grid Code* work together and work in practice for the benefit of all *TSOs* and *Users*.

GC2.1.2 The General Conditions set out the over-riding principles to be used in the operation of the transmission systems of SADC and form the basis for the decisions

of a reasonable and prudent operator should specific events not be covered by the relevant Code. At all times each *Party* shall, in its dealings with other *Parties* to the *Regional Grid Code* act in good faith and in accordance with *Prudent Utility Practice*.

GC3. Scope of application of the *Regional Grid Code*

GC3.1 Principle of application

GC3.1.1 The *Regional Grid Code* applies to the new installations, commissioned after the entry into force of this *Regional Grid Code* as set out in provision GC 13.

GC3.1.2 The provision of the *Regional Grid Code* are applicable to existing installations and equipment when they are considered as substantially modernized, on the basis of the criteria set up by the *Administrative Authority*, under the recommendations by the *Grid Code Review Panel*.

GC3.2 Geographic scope

GC3.2.1 The *Regional Grid Code* does not apply to the islanded systems that are using the provisions of the *Regional Grid Code* as a guidance document for setting their technical requirements in national grid codes and support for national implementation, performance and interpretation.

GC3.3 Exclusions of application

GC3.3.1 The *Regional Grid Code* does not apply to the following specific situations: islanded operating systems and grids, closed distribution grids, temporary connections, emerging technologies or specific equipment listed by the *Administrative Authority*.

GC4. Entities under the *Regional Grid Code*

GC4.1 Administrative Authority

GC4.1.1 The *Administrative Authority* is responsible for the implementation and the enforcement of the *Regional Grid Code*, with respect to the benefit of the *SAPP Electricity Market*.

GC4.1.2 For the implementation and the enforcement of the *Regional Grid Code*, the *Administrative Authority* may, in certain cases, need to issue instructions or to have rights of access to services and/or installations of the *Parties* to ensure a proper implement and enforcement of the *Regional Grid Code*. Accordingly, all *Users* and *TSOs* are required not only to abide by the letter and spirit of the *Regional Grid Code*, but also to provide the *Administrative Authority* with such rights of access to

services and installations and to comply with any instruction of the *Administrative Authority*.

GC4.2 Regional Grid Code Parties

GC4.2.1 The *Regional Grid Code* shall apply to the *TSOs*, *SAPP Market Participants*, *SAPP Coordination Centre* and *Users* of the transmission systems of *SADC*, including the *SAPP Interconnected Transmission System*.

GC4.3 Grid Code Secretariat

GC4.3.1 The *Administrative Authority* shall appoint a *Grid Code Secretariat*, accountable to the *Administrative Authority* for its activities.

GC4.3.2 The *Grid Code Secretariat* shall oversee the *Regional Grid Code* and shall be responsible for at least the following functions:

- (a) Ensure that procedures are developed and publicly available on the website of the *Administrative Authority* for the review of proposed amendments and *Derogations* by the *Grid Code Review Panel*;
- (b) Provide standard submission forms to *Regional Grid Code Parties* for the review of proposed amendments and *Derogations* by the *Grid Code Review Panel*;
- (c) Assist the *Parties*, when requested, in the preparation of these submissions to the *Grid Code Review Panel*;
- (d) Assist the *Grid Code Review Panel* in their recommendations on amendments and *Derogations*, and for their submission to the decision process at *Administrative Authority*;
- (e) Publish the *Grid Code Review Panel's* recommendations on amendments and their motivation on the website of the *Administrative Authority*, after the recommendations have been issued;
- (f) Organize the public consultation process on the recommended amendments to the *Regional Grid Code* by the *Grid Code Review Panel*;
- (g) Publish the decisions of the *Administrative Authority* on amendments and *Derogations* and their motivation;
- (h) Support the *Dispute* management procedure;
- (i) Manage *Regional Grid Code* documentation, amended versions and publications;
- (j) Inform *Parties* of the progress with applications for amendment or *Derogation*, if they request so;
- (k) Inform *Parties* involved of progress in *Disputes*;
- (l) Disseminate relevant information to the requesting *Parties*, according to the *Regional Grid Code*;
- (m) Co-ordinate the activities of the *Grid Code Review Panel*;
- (n) Keep and circulate minutes of meetings and documentation of proceedings of the *Grid Code Review Panel*;
- (o) Function as a formal communication channel for the *Grid Code Review Panel*; and
- (p) Develop, operate and maintain the website of the *Administrative Authority* with the adequate level of transparency, completeness of data, accessibility to the general public and the *Parties*, and security from cyber threat and/or attacks.

GC4.3.3 The *Grid Code Secretariat* shall make the latest version of the *Regional Grid Code* publicly available on the website of the *Administrative Authority*, as well as

the approved amendments within one week of their formal approval by the *Administrative Authority*.

GC4.3.4 The *Grid Code Secretariat* shall also make hard copies of the latest version of the *Regional Grid Code* available to any requesting *Party* or person, for which a nominal fee may be charged to recover reproduction costs.

GC5. The *Grid Code Review Panel*

GC5.1 Constitution of the *Grid Code Review Panel*

GC5.1.1 The *Administrative Authority* shall establish and maintain, as a standing body, the *Grid Code Review Panel* as defined under the provisions of the *Regional Grid Code*. The *Grid Code Review Panel* shall not be a decision-making body and the *Administrative Authority* shall not be bound by its deliberations or recommendations on the amendments to the *Regional Grid Code* or on the *Derogations*. The *Administrative Authority* shall justify his decisions, including why the decision is not following the recommendations of the *Grid Code Review Panel*.

GC5.2 Duties of the *Grid Code Review Panel*

GC5.2.1 The *Grid Code Review Panel* shall:

- (a) Keep the regional and national implementation of the *Regional Grid Code* under constant review;
- (b) Ensure that the *Regional Grid Code* is consistent in its approach and is developed to reflect changes in *Prudent Utility Practice* and technology;
- (c) consider whether the actions taken by the *Administrative Authority* or an impacted *TSO* following an unforeseen event and/or circumstance were justified and what changes, if any, are necessary to the *Regional Grid Code*;
- (d) Review and discuss all proposals for amendments to the *Regional Grid Code* which the *Administrative Authority* or any *Party* to the *Regional Grid Code* submit to the *Grid Code Review Panel*;
- (e) Present recommendations to the *Administrative Authority* as to amendments to the *Regional Grid Code* that the *Grid Code Review Panel* considers warranted and the reason for such changes;
- (f) Issue recommendations on the criteria to be used to define a retrofit as a substantial modernization of existing installations and/or equipment;
- (g) Review existing standards relevant to the operation of the transmission systems of *SADC* and make modifications or proposals for new standards in relation to the operation of the transmission systems of *SADC*; and
- (h) Issue guidance in relation to the *Regional Grid Code* and its implementation, performance and interpretation, on its own initiative or upon reasonable request of the *Administrative Authority* or any *Party*.

GC5.3 Functioning of the *Grid Code Review Panel*

GC5.3.1 Composition of the *Grid Code Review Panel*

GC5.3.1.1 The *Grid Code Review Panel* is composed by the representatives of each category of *Parties* under this *Regional Grid Code* to pursue consultative policies

and provide interactive cooperation between the *Administrative Authority* and the *Parties*. Members of the *Grid Code Review Panel* shall ensure sufficient participation by their constituencies in the technical groups or working groups and the *Grid Code Review Panel*.

GC5.3.1.2 The *Administrative Authority* shall annually review the composition and constituencies represented by the *Grid Code Review Panel*, by keeping in mind consistency, expertise and stability in the composition of the *Grid Code Review Panel*. The *Administrative Authority* shall ensure that the *Grid Code Review Panel* is reflective of the industry and of each category of *Parties*. The *Administrative Authority* may decide to expand the composition of the *Grid Code Review Panel* as part of the membership review process in consultation with the *Grid Code Review Panel*. Changes in membership shall be published by the *Administrative Authority* within the fourteen (14) business days, on the website of the *Administrative Authority*.

GC5.3.1.3 The *Grid Code Review Panel* shall consist of the following members:

- a) A chairperson appointed by the *Administrative Authority* and representing it, with one vote;
- b) One member representing the *SAPP Operating Members*, with one vote;
- c) One member representing the *SAPP Market Participants*, with one vote;
- d) One member representing the *TSOs non-Operating Members*, with one vote;
- e) One member representing *Synchronous Generating Units*, with one vote;
- f) One member representing *Non-Synchronous Generating Units*, with one vote;
- g) One member representing *Distributors*, with one vote;
- h) One member representing large end-use customers, with one vote;
- i) One member representing *Southern African Power Pool* as an observer with no voting rights; and
- j) One member representing each of the *External Systems* as an observer with no voting rights.

A recommendation of the *Grid Code Review Panel* shall be passed by a simple majority of votes cast. In the event of an equality of votes, the chairperson has a second or casting vote.

GC5.3.1.4 Each member shall nominate his alternative representative. Such nomination shall be provided to the *Grid Code Secretariat* and to the chairperson of the *Grid Code Review Panel* fourteen (14) business days' written notice of its effectivity.

GC5.3.1.5 Members of the *Grid Code Review Panel* and their alternative representatives shall serve a three-year term, after which they shall be eligible for re-appointment. Members and their alternative representatives may be replaced by the group of *Parties* entitled to appoint the member at any given time, provided fourteen (14) business days' written notice of the change taking effect is given to the *Grid Code Secretariat* and to the chairperson of the *Grid Code Review Panel*. The *Administrative Authority* may request replacement of members or their alternative representatives by their constituency upon recommendation of the

Grid Code Review Panel, if they have not attended three (3) consecutive meetings without sound written justification.

GC5.3.2 Functioning of the *Grid Code Review Panel*

GC5.3.2.1 The constitution and functioning of the *Grid Code Review Panel* shall be governed by the rules adopted by the *Administrative Authority*, under recommendations of the *Grid Code Review Panel*. Any change to the rules shall be proposed by the *Grid Code Review Panel* to the *Administrative Authority* for approval, before being published on the website of the *Administrative Authority*.

GC5.3.2.2 In the exercise of its powers and the performance of its duties and responsibilities as a member, a member shall represent the interests of their group of *Parties* by whom they have been appointed, provided that such obligation of representation shall at all times be subordinate to the obligations of the member as part of the *Grid Code Review Panel*.

GC5.3.2.3 The *Administrative Authority* shall fund the administrative activities of the *Grid Code Review Panel* and of the *Grid Code Secretariat*. Members shall be responsible for their own travel and subsistence expenditure.

GC6. Amendments to *Regional Grid Code*

GC6.1 Principles

The *Administrative Authority* is the approval authority for the *Regional Grid Code*. Only the *Administrative Authority* shall consequently be entitled to review, evaluate and approve any amendment to the *Regional Grid Code* upon the recommendations submitted by the *Grid Code Review Panel* to the *Administrative Authority*.

GC6.2 Amendments to the *Regional Grid Code*

GC6.2.1 Submission process for amendment

GC6.2.1.1 Any *Party* under this *Regional Grid Code*, as *TSO*, *User*, *Grid Code Review Panel* member or the *Administrative Authority*, may propose one or several amendments to the *Regional Grid Code*.

GC6.2.1.2 The *Grid Code Secretariat* shall issue the guidelines, including timeline, for submissions of request for amendment to the *Grid Code Review Panel* and for organization of the formal consultation process as set out in provision GC 6.2.2.4. The guidelines shall be published on the website of the *Administrative Authority*.

GC6.2.1.3 The *Grid Code Secretariat* shall publish on the website of the *Administrative Authority* a list of submission dates aligned with *Grid Code Review Panel* planned meetings. Urgent submissions shall be dealt with via ad-hoc meetings of the *Grid*

Code Review Panel as decided by its chairperson upon advice from the *Grid Code Secretariat*.

GC6.2.1.4 Amendment application containing the details of a proposed change to the *Regional Grid Code* shall be submitted to the *Grid Code Secretariat* in accordance with the provisions set out in this code. The applicant shall state the relevant provisions of the *Regional Grid Code*, his proposed amendment and give reasons for the application for amendment.

GC6.2.2 Recommendations by *Grid Code Review Panel*

GC6.2.2.1 The *Grid Code Review Panel* shall initiate the amendment review process without delay and shall:

- (a) Make an initial assessment of the proposed amendment, by deciding whether it has merit and should be considered for further assessment or should be rejected; this motivated decision is published on the website of the *Administrative Authority* and communicated by writing to the requesting *Party*;
- (b) If deemed necessary, ensure that the submission of proposed amendment is referred to the relevant ad-hoc or permanent technical groups, to working groups or to the relevant *Independent Expert(s)* for detailed assessment, clarification, reformulation and/or technical recommendations, and
- (c) Analyse the feedback of the technical groups, the working groups or of the *Independent Expert(s)* on the proposed amendment and decide on the final recommendations to be submitted to the *Administrative Authority*.

GC6.2.2.2 The *Grid Code Review Panel* shall take the complexity and importance of the amendment(s) to be assessed into account in deciding on the composition of any ad-hoc technical groups or working groups or an *Independent Expert* that will deal with the submission.

GC6.2.2.3 The recommendation to the *Administrative Authority* shall also include a clear expression of divergent views on such proposals and the motivation of the recommendation, if any.

GC6.2.2.4 Once the *Grid Code Review Panel* has decided of the recommendations on the proposed amendments, the *Grid Code Secretariat* shall launch within the fourteen (14) business days a formal consultation process by posting the recommendations for amendments on the website of the *Administrative Authority* and informing directly the *Parties* registered at the *Grid Code Secretariat* for granting such information. The formal consultation documentation mentions the recommendations for amendments, the motivation, the position of the *Grid Code Review Panel* and the period during which the *Parties* can submit their comments to the *Grid Code Secretariat*.

GC6.2.2.5 After the closure of the consultation period, the *Grid Code Secretariat* shall submit to the *Administrative Authority* all the proposed amendments to the

Regional Grid Code assessed within this submission package, including the comments collected during the consultation process.

GC6.2.3 Approval by *Administrative Authority*

GC6.2.3.1 The *Administrative Authority* shall review all the proposed amendments to the *Regional Grid Code* received from the *Grid Code Secretariat* and shall or shall not approve them. In its process of approving the proposed amendments to the *Regional Grid Code*, the *Administrative Authority* is guided by the *Grid Code Review Panel's* recommendations on the matter and the result of the consultation process. The *Administrative Authority* shall indicate its decision to approve or not the proposed amendments to the *Regional Grid Code*. Amendments shall have an implementation date stipulated by the *Administrative Authority*. In considering the proposed revisions, the *Administrative Authority* may also seek the opinion of an *Independent Expert* as set out in provision GC 11, if it was not yet the case during the process held by the *Grid Code Review Panel* as set out in provision GC 6.2.2.

GC6.2.3.2 The *Administrative Authority* shall give notice to the *Grid Code Secretariat* of its decisions. The *Grid Code Secretariat* shall update the version of the *Regional Grid Code* with the approved amendments and the revision register, as set out in provision GC 16.

GC7. Compliance

GC7.1 Compliance principle

GC7.1.1 All *Parties* shall comply with the *Regional Grid Code*. Any contract, license, bilateral agreements or similar arrangements between *Parties* to the *Regional Grid Code* or with entities external to SADC, shall follow the rules and procedures in the *Regional Grid Code* provided that the subject is covered by the *Regional Grid Code*, as set out in provision GC 10.1.1. It is the sole responsibility of the *Parties* to verify their continuous compliance with any provision of the *Regional Grid Code*, as set out in provision CC 4.6.7.

GC7.1.2 The *Parties* shall inform the *Administrative Authority* of any non-conformance report of a material nature that has been submitted to another *Party*. Upon a non-conformance report or in case of suspicion of non-compliance, the *Administrative Authority* may seek to:

- resolve the issue through the process of mutual discussion as foreseen in provision GC 8.1;
- take action in terms of the procedures for handling licensing contraventions; or
- consider a case for launching an amendment process to the provisions of the *Regional Grid Code*; or
- consider to impose a request for *Derogation* to the non-complied provision of the *Regional Grid Code*.

GC7.1.3 The *Administrative Authority* may require a *Party* to provide information that is deemed necessary for the proper administration of the *Regional Grid Code*. This

information shall, upon request by the concerned *Party*, be treated as confidential according to provision GC 11.

GC7.1.4 For the avoidance of doubt, nothing in or pursuant to this *Regional Grid Code* shall be taken to require a *Party* to do anything which could or would be unsafe or contrary to the *Party's* obligations, on safety, environment or any other technical matter, nor shall prevent a *Party* from doing anything which could or would be unsafe or contrary to that *Party's* obligations to omit to do.

GC7.2 Sanctions and penalties for non-compliance

GC7.2.1 If a *Party* is in breach of any of the *Regional Grid Code* requirements, the *Administrative Authority* may recommend sanctions and penalties that should be enforced by national regulatory authorities, as foreseen in the intergovernmental agreements or licenses concerned, including recommendations to the relevant TSO to disconnect or de-energize the *Party* in breach.

GC7.3 Non-applicability for unforeseen events and circumstances

GC7.3.1 If unforeseen events or circumstances arise which are not contemplated by the provisions of the *Regional Grid Code*, but cannot be defined as a *Force Majeure* event, the *Administrative Authority* shall, to the extent reasonably practicable in the circumstances, consult promptly with all affected *Parties* in an effort to reach agreement as to what should be done. If agreement between the *Administrative Authority* and such *Parties* cannot be reached in a reasonable time, the *Administrative Authority* shall determine the best course of action in accordance with *Prudent Utility Practice* and the provisions of the *Regional Grid Code*.

GC7.3.2 Each *Party* shall comply with all instructions given to it by the *Administrative Authority* following such a determination, provided the instructions are consistent with the technical parameters of the TSO to which it is connected. If agreement cannot be reached in the time available, the *Operations Committee* shall in good faith determine what is to be done and promptly notify the *Parties* affected. The *Administrative Authority* shall, as soon as reasonably practicable following the unforeseen circumstances, notify all relevant details to the *Grid Code Review Panel* for general monitoring in accordance with GC 7.

GC7.4 Non-applicability in case of *Force Majeure*

GC7.4.1 In situations of *Force Majeure*, the provisions of the *Regional Grid Code* may be suspended in whole, or in part, pursuant to any directions given by the *Administrative Authority* being the custodian of the *Regional Grid Code*.

GC7.4.2 *Force Majeure* shall mean any act, event or circumstance or any combination of acts, events or circumstances which;

- (a) is beyond the reasonable prediction and control of the affected *Party* affected by such event or circumstance;
- (b) is without fault or negligence on the part of the affected *Party* and not the direct or indirect result of a breach by the affected *Party* to perform any of its obligations;

- (c) could not have been avoided or overcome by the affected *Party*, taking reasonable action;
- (d) prevents, hinders or delays the affected *Party* in its performance of all (or part) of its obligations.

GC7.4.3 The affected *Party* shall not be held to have defaulted in respect of any obligation under the *Regional Grid Code* if prevented or delayed from performing that obligation, in whole or in part, because of a Force Majeure event. If a Force Majeure event prevents or delays a *Party* from performing any of its obligations under the *Regional Grid Code*, that *Party* shall:

- a) Promptly notify any other *Party* involved, the *Administrative Authority* of the *Force Majeure* event and its assessment in good faith of the nature and the effect that the event will have on its ability to perform any of its obligations and the measures that the affected *Party* proposes to take to alleviate the impact of the *Force Majeure* event. The affected *Party* invoking *Force Majeure* shall notify the other *Party* by telephone and/or e-mail at the earliest possible opportunity of the reasons why it is unable to fulfil some or all of its obligations and the period during which it reasonably envisages being unable to fulfil them. If the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practicable. The notice shall be posted on the website of the *Administrative Authority*;
- b) Not be entitled to suspend performance of any of its obligations under the *Regional Grid Code* to any greater extent or for any longer time than the *Force Majeure* event requires it to do;
- c) Use its best efforts to mitigate the effects of the *Force Majeure* event, remedy its inability to perform, and resume full performance of its obligations immediately after the event amounting to *Force Majeure* has ceased to exist;
- d) Keep any other involved *Party* continually informed of its efforts, and
- e) Provide written notice to the other *Party* when it resumes performance of any obligations affected by the *Force Majeure* event. The notice shall be published on the website of the *Administrative Authority*.

GC7.5 Derogations on Regional Grid Code Compliance

GC7.5.1 Request for *Derogation*

GC7.5.1.1 The *Administrative Authority* may issue a motivated *Derogation* suspending a *Party's* obligations to implement or comply with the provisions of the *Regional Grid Code* to the extent specified in the *Derogation*, if the said *Party* is not able to meet the requirements of the *Regional Grid Code*.

GC7.5.1.2 Any *Party* shall apply without delay for an individual *Derogation* for its own benefit when it finds that it is, or will be, unable to comply with one or several provisions of the *Regional Grid Code*. A group of *Parties* can apply for a class *Derogation* applicable to a common set of *Users*, type of equipment's or *Generators*.

GC7.5.1.3 In case of substantial modernization of its installations and/or equipment's, an existing *Party* can apply for an individual *Derogation*, if it considers it will not be able to meet the requirements of the *Regional Grid Code* as set out in provision GC 3.1.2. The request for *Derogation* shall justify why it may not be economically

or technically necessary to upgrade such existing installations and/or equipment's to the *Regional Grid Code* requirements.

GC7.5.1.4 A *Derogation* from the obligation to comply with provisions of the *Regional Grid Code* may be granted by the *Administrative Authority* for the following reasons:

- a) In case of substantial modernization, it may not be economically viable or technically necessary to upgrade existing installations and/or equipment to the disputed *Regional Grid Code* requirements. The *Administrative Authority* will evaluate the costs and benefits of granting the *Derogation* of the disputed *Regional Grid Code* requirements on the general system integrity, security and safety of the *SAPP Interconnected Transmission System* and other transmission systems. The *Administrative Authority* will give consideration to a time bound *Derogation* for all or part of the *Regional Grid Code*;
- b) To facilitate transition to *Regional Grid Code* requirements through individual or class *Derogations* arrangements;
- c) Any other reason deemed technically or economically necessary by the *Administrative Authority*, based on recommendations of the *Grid Code Review Panel*.

GC7.5.2 Procedure for *Derogation*

GC7.5.2.1 A *Party* seeking *Derogation* from any provision in the *Regional Grid Code* shall make a written request to the *Grid Code Secretariat* containing the following information:

- a) Details of the *Party* applying for individual or class *Derogation*;
- b) The provision in the *Regional Grid Code* (including the issue number and the date of the *Regional Grid Code* revision) against which the present or predicted non-compliance is identified and is subject to the request for *Derogation* (partial or full *Derogation*);
- c) The specific reason for non-compliance requiring *Derogation*, with all necessary evidences and supporting documents;
- d) If the non-compliance with the provision is partial or for the entire requirement;
- e) If any other *Users* affected by the request for *Derogation*;
- f) Identification of the equipment in respect of which an *Derogation* is being sought;
- g) Whether the *Derogation* sought is permanent or the *Derogation* will be temporary with the delay needed in achieving full compliance (if remedy of the non-compliance is possible);
- h) If a delay in achieving compliance is being sought, the date by which the non-compliance will be remedied; and
- i) The cost of achieving compliance to the provision of the *Regional Grid Code*.

GC7.5.3 Granting of *Derogation*

GC7.5.3.1 The *Administrative Authority* shall review all requests for *Derogation* to the *Regional Grid Code* received by the *Grid Code Secretariat*, within a delay of thirty (30) business days and grant full or partial *Derogation* to the *Regional Grid Code*.

GC7.5.3.2 The *Administrative Authority* may seek the views and recommendations on the requested *Derogation* from the *Grid Code Review Panel* and/or an *Independent Expert*, designated as set out in GC 11.

GC7.5.3.3 All *Derogations* granted shall prevail over the relevant provision of the *Regional Grid Code* to which it derogates. The decision on *Derogation* by the *Administrative Authority* shall be final and legally binding, but subject to *Dispute* as set out in provision GC 8.4. The *Derogation* shall have an implementation date stipulated by the *Administrative Authority* and shall, if applicable, include time bound provisions and implementation conditions. In the case the requested *Derogation* is granted with a delay in achieving compliance, the beneficiary *Party* shall take all necessary action to ensure full compliance with the obligation for which the *Derogation* has been granted.

GC7.5.3.4 The provision of a specific technical *Derogation* does not release the beneficiary from compliance with all other provisions of the *Regional Grid Code* and with the provisions of any commercial agreement or from any liability arising from the said *Derogation*.

GC7.5.3.5 The *Administrative Authority* can give consideration to a time bound *Derogation* for all or part of the existing transmission systems of SADC.

GC7.5.3.6 When a material change has occurred on the circumstances justifying the request for *Derogation*, a review of any granted *Derogation* under these circumstances and any *Derogation* under consideration may be initiated by the *Administrative Authority*, according to the process set out in GC 7.5.

GC7.5.3.7 The *Administrative Authority* shall give notice to the *Grid Code Secretariat* of the decisions on *Derogations* reached by the *Administrative Authority*. The *Grid Code Secretariat* shall communicate the decision on *Derogation* to *Regional Grid Code Parties* and publish it in the register of *Derogations*, within a delay of five (5) business days.

GC7.6 Register of *Derogations*

GC7.6.1 The *Grid Code Secretariat* shall keep a register of all decisions that have been taken on *Derogations* by the *Administrative Authority*. The register shall be published on the website of the *Administrative Authority*, along with the *Regional Grid Code* revision register. The *Grid Code Review Panel* shall develop the appropriate rules to handle the register of *Derogations* according to the applicable legislation.

GC7.6.1.1 Each decision on a *Derogation* identifies the name of the *Party* and equipment in respect of which the *Derogation* has been granted, the justification

of the Derogation granted or of the refusal, the relevant provision of the *Regional Grid Code*, the duration of *Derogation* and the extent of compliance requested with the applicable provisions (partial or full *Derogation*). The information provided in the decision on *Derogation* is subject to limited exceptions where an interested *Party* has shown that publication of information it considers as confidential would materially prejudice the beneficiary of the *Derogation* or any other *Party* on its business, a cross-border transaction or a national interest.

GC7.6.1.2 Upon request from any *Party*, the *Grid Code Secretariat* shall provide a copy of such register of *Derogations* to that requesting *Party*.

GC7.7 Compliance Audits

GC7.7.1 A *Party* may request from another *Party* any material in the possession or the control of that *Party* related its effective compliance to one of several provisions of the *Regional Grid Code*, in order to evaluate the effective respect of the *Regional Grid Code* in their bilateral agreements.

GC7.7.2 Such a request shall include the following information :

- 1) Nature of the requested information;
- 2) Name of the representative appointed by the requested *Party* to conduct the investigation;
- 3) Time at which the information is requested.

GC7.7.3 The requested *Party* may not unreasonably withhold the relevant information requested. The requested *Party* shall provide to the representative appointed by the requested *Party* access to the relevant documentation, data and records, for investigation as is reasonably requested and needed. Any request and investigation shall be conducted without undue disruption to the business and activities of the requested *Party*. Information collected or shared in a compliance audit process is treated as confidential, as set out in provision GC 11.

GC8. Dispute mediation, resolution and appeal mechanisms

GC8.1 Mutual Discussion

GC8.1.1 If a *Dispute* or difference of any kind whatsoever arises between any *Party* in connection with, or arising out of, the interpretation, implementation or breach of any provision in this *Regional Grid Code*, one of the involved *Party* may issue to the other *Party* a written *Dispute Notice* outlining the matter in *Dispute*. Following issue of a *Dispute Notice* both *Parties* shall discuss in good faith and without prejudice, and attempt to settle the *Dispute* between them.

GC8.1.2 The *Dispute* resolution process set out in provision GC 8 does not apply to disputes between *Parties* concerning the performance of obligations under agreements for *SAPP Market Participants* or bilateral supply agreements.

GC8.1.3 *Dispute* resolution may include a request to the *Grid Code Secretariat* to refer the matter to the *Grid Code Review Panel* to consider the way to interpret or

implement the disputed *Regional Grid Code* provisions. The *Administrative Authority* shall agree (or not) for such referral to the *Grid Code Review Panel*.

GC8.2 Resolution by the *Administrative Authority*

GC8.2.1 If the *Dispute* under mutual discussion cannot be settled within thirty (30) business days after issue of the *Dispute Notice*, either *Party* shall have the right to refer the *Dispute* to the *Administrative Authority* for resolution.

GC8.2.2 In this case, the procedure will be as follows:

- (a) The request for referral shall be made in writing to the *Grid Code Secretariat* and a dated copy of the original *Dispute Notice* between the *Parties* shall be attached;
- (b) Upon receipt of a request for referral, the *Grid Code Secretariat* shall write to the *Parties* acknowledging that the *Dispute* has been referred to the *Administrative Authority* for determination;
- (c) Following writing receipt of *Grid Code Secretariat* acknowledgment, each *Party* shall have five (5) business days to submit in writing their reason(s) as to the cause of the *Dispute* to the *Administrative Authority* and, if willing so to request hearings of the *Parties* by the *Administrative Authority*, and
- (d) No later than ten (10) business days after the *Administrative Authority* has received each *Party's* reason(s) as to the causes of the *Dispute* in writing, the *Administrative Authority* organizes hearings of the *Parties* within a deadline of five (5) business days or might request to hear the *Parties*. The *Grid Code Secretariat* shall organize these hearings. If no hearings are requested by the *Parties* or by the *Administrative Authority*, the *Administrative Authority* shall write to each *Party* setting out the manner in which it intends to resolve the *Dispute* and shall indicate a date by which its decision may be expected which in any case shall not exceed three (3) months. The *Administrative Authority* may also seek the views and advice of an *Independent Expert* on settlement of the *Dispute*, within this period.

GC8.2.3 The decision by the *Administrative Authority* shall be final and legally binding on all *Parties*. The *Grid Code Secretariat* shall keep a register of all decisions. The register shall be published on the website of the *Administrative Authority*, along with the *Regional Grid Code* revision register.

GC8.3 Complaints on operations of the *Grid Code Secretariat* or of the *Grid Code Review Panel*

GC8.3.1 Any *Dispute*, complaint, difference or any kind of divergence regarding the operations of the *Grid Code Secretariat* or of the *Grid Code Review Panel* shall firstly be addressed in writing via a *Dispute Notice* to the *Grid Code Secretariat*. The *Grid Code Review Panel* shall attend to such complaints at or before the next session to discuss the arising topic in mutual good faith to settle the *Dispute* between each other. The *Grid Code Secretariat* shall inform the *Parties* about the decision of the *Grid Code Review Panel* regarding the *Dispute Notice*.

GC8.3.2 If the *Grid Code Review Panel* is unable to resolve the *Dispute* or if the *Party* having submitted the *Dispute Notice* is not satisfied by the decision, the *Dispute*

shall be submitted to the *Administrative Authority* by following the procedure described in the provision GC 8.2.

GC8.4 *Dispute of the Administrative Authority decisions*

GC8.4.1 Any *Dispute* arising between the *Administrative Authority* and a *Party*, about an individual derogation decision or any other case arising from the interpretation or application of this *Regional Grid Code* which cannot be settled amicably shall be referred to the tribunal of *SADC* established pursuant to Article 9 (f) of the Treaty establishing *SADC*.

GC8.5 *Independent Expert Opinion*

GC8.5.1 Independent Expert

GC8.5.1.1 If any matter is referred to an *Independent Expert* in accordance with GC 6.2, 7.5 and 8.2, the *Independent Expert* shall be appointed by the *Administrative Authority* or by the *Grid Code Review Panel*. Such person shall be an expert with specialized skills in the matter under consideration and must not have any material relationship with any of the *Parties* to the matter or to the members of the *Grid Code Review Panel* or the *Administrative Authority*.

GC8.5.2 Independent Expert opinion in Derogation or Dispute processes

GC8.5.2.1 When referring a matter to an *Independent Expert* in the *Derogation* or *Dispute* processes, the *Grid Code Secretariat* shall prepare a written request to the *Independent Expert*, containing:

- a) a description of the *Derogation* requested, of the *Dispute Notice* or of the matter on which the *Independent Expert* is required to express an opinion or give advice;
- b) all the documentation relevant to the matter;
- c) all the relevant correspondence between involved *Parties* and/or the *Administrative Authority* or the *Grid Code Review Panel*, and
- d) the request that the *Independent Expert* drafts an opinion setting out a possible solution to the to the matter in issue having regard to the purpose of the *SAPP Interconnected System*, the current status of the *SAPP Electricity Markets* and international best practice.

GC8.5.2.2 The *Independent Expert* shall not act as an arbitrator in a *Derogation* or *Dispute* process. The *Independent Expert* shall have the power to issue his neutral written opinion consistent with any relevant requirements, purposes or restrictions concerning that opinion expressly provided for in the *Regional Grid Code*. The *Independent Expert* shall be entitled to have regard to the way in which similar issues are addressed or are proposed to be addressed by the electricity industry in other regions and to substitute their own view of what is reasonable in the circumstances.

GC8.5.2.3 The *Independent Expert* shall determine the best procedure to be followed for the purpose of preparing his opinion. The venue for the *Independent Expert's* inquiries will be agreed between the *Parties* to the matter under consideration.

Modern technologies such as videoconferencing may be used to ensure that the process is as cost efficient and equitable as possible.

GC8.5.2.4 The *Independent Expert* must inform, within fifteen (15) business days of their appointment, the *Grid Code Secretariat* if they need additional information from the *Parties in Dispute* or from the *Administrative Authority* or by the *Grid Code Review Panel*, and the deadline to receive it. The *Independent Expert* must state their determination of those matters within sixty (60) business days of his appointment.

GC8.5.2.5 The *Administrative Authority* shall equally divide the entire cost of the *Independent Expert* between all *Parties* having requested the *Derogation* or in the *Dispute* process.

GC9. Regional Grid Code interpretation

GC9.1 Principle for interpretation

GC9.1.1.1 The *Regional Grid Code* shall be fairly and uniformly applied to all *Parties*. All conditions and situations that are similar shall receive consistent and equitable treatment.

GC9.1.1.2 The *Parties* shall not make any decision or enter into any agreement that is inconsistent with the *Regional Grid Code* provisions. The *Parties* and the *Administrative Authority* may use their discretion and good judgment in making decisions on any matter on which this *Regional Grid Code* does not contain, complete or adequate stipulations. The exercise of a discretionary power shall however be justified in writing to the *Administrative Authority* and the affected *Party* at the same time that such decision is taken. The principles and rationale for any discretion exercised or decision taken by the *SAPP Market Participants* shall be published and made available to any person upon request. Persons' aggrieved by a discretionary decision taken by a *SAPP Market Participant* may request a review by the *Administrative Authority*, as set out in provision GC 8.6. The *Administrative Authority* shall consider the complaint and uphold or recommend a reconsideration of the decision.

GC9.1.1.3 In the event that a *Party* requires additional interpretation of the intention, wording or application of any provision of the *Regional Grid Code*, it may request *Administrative Authority* for such interpretation. Provided that the request is reasonable, then the *Administrative Authority* shall provide the *Party* with an interpretation of the relevant part. In the event that a *Party*, acting reasonably, deems that the interpretation provided by the *Administrative Authority* is unreasonable or inappropriate, the matter shall be referred to the *Grid Code Review Panel* for consideration.

GC9.2 Figures

GC9.2.1 Figures are provided in some provisions of the *Regional Grid Code* for convenience and to illustrate a process. In case of any discrepancy between the

text and figures regarding any provision of the *Regional Grid Code*, the text shall prevail.

GC9.3 Definitions

GC9.3.1 Terms and expressions printed in italics are listed in the Glossary and Definitions and shall, unless the context otherwise requires or is not consistent therewith, bear the respective meaning set out therein.

GC9.3.2 Terms not herein defined shall have the meaning ascribed thereto in the Oxford English Dictionary.

GC9.3.3 Where the Glossary and Definitions refers to any word or term which is more particularly defined in a part of the *Regional Grid Code*, the definition in that part of the *Regional Grid Code* will prevail over the definition in the Glossary and Definitions in the event of any inconsistency.

GC9.3.4 References to a person or entity shall include any individual and any other entity, in each case whether or not having a separate legal personality.

GC9.4 Severability

GC9.4.1 If any part of this *Regional Grid Code* is held to be wholly or partially invalid for any reason, such determination shall not impact any other provision of this *Regional Grid Code* and the latter shall continue to be in full force, except for the provision held invalid. In the event that such provision held invalid impact the whole nature of this *Regional Grid Code*, the *Administrative Authority* shall immediately start the amendment process of this provision by a valid replacement provision which effect should be as close as possible to the effect of the provision held invalid. The *Administrative Authority* shall provide guidance to the *Parties* on the applicable rules during the transition period.

GC10. Hierarchy

GC10.1.1 In the event of any conflict between the provisions of the *Regional Grid Code* and any provision in contract, license, bilateral agreement or similar arrangement between the *Administrative Authority*, a *TSO* or a *User*, the provisions of the *Regional Grid Code* shall prevail unless it expressly provides otherwise.

GC10.1.2 The *Regional Grid Code* has precedence over national grid codes and operational procedures in the SADC region for all matters related to the *SAPP Interconnected Transmission System* and other transmission systems. Notwithstanding this, certain equipment connected to the transmission system can be deemed to be excluded from the *Regional Grid Code* coverage, and benefit from a *Derogation* decision, when equipment performance or lack thereof has no

impact on the *SAPP Interconnected Transmission System* or other transmission systems.

GC11. Confidentiality

GC11.1 Information exchange

GC11.1.1 In data exchange between a *Party* and the *Administrative Authority*, the *Grid Code Review Panel*, the *Grid Code Secretariat*, and/or the *SAPP Coordination Centre*, every involved person or entity shall be entitled to rely upon any communication or document reasonably believed to be genuine and correct and to have been communicated and/or signed by the person with the right to do so.

GC11.2 Confidential information

GC11.2.1 Information exchanged between *Parties* governed by this *Regional Grid Code* and related to connection to planning, operation and maintenance of the *SAPP Interconnected Transmission System* and other transmissions systems or to the *SAPP*, shall be confidential, unless otherwise stated or where information is defined as being in the public domain or falling into the situations described in GR11.2.

GC11.2.2 If the data exchanged between a *Party* and the *Administrative Authority*, the *Grid Code Review Panel*, the *Grid Code Secretariat*, and/or the *SAPP Coordination Centre*, is not in the public domain in the country to which it refers, the data shall be considered confidential. As a matter of principle, only aggregate data may be made available by a *TSO* when requested by a *User* and shall be treated by the *User* as confidential. The *Administrative Authority* shall consult with *TSOs* in regard to the publication of data exchanged by *TSOs* with other *Parties* governed by this *Regional Grid Code*, on an aggregate way.

GC11.2.3 The *Parties* receiving information shall use the information only for the purpose for which it was supplied. Confidential information shall not be transferred to a third *Party* without the written consent of the information owner. The *Parties* shall observe the proprietary rights of third parties for the purposes of this *Regional Grid Code*. The *Parties* shall take all reasonable measures to control unauthorized access to information and to ensure secure information exchange. The *Parties* shall report any violation of information security to the information owner.

GC11.2.4 The information owner may request the receiver of information to enter into a written confidentiality agreement, duly signed before any confidential information is provided. The *Grid Code Review Panel* shall develop a template confidentiality agreement, to be published by the *Grid Code Secretariat* on the website of the *Administrative Authority*.

GC11.2.5 Confidential data does not include:

- a) information that is in the public domain provided that specific items of information shall not be considered as in the public domain merely because more general information is in the public domain and provided that the information is not in the

- public domain as a result of a breach of confidence by the *Party* seeking to disclose the information or a *Party* to whom it has disclosed the information;
- b) information required to be published or information required to be disclosed in any provision of the *Regional Grid Code*; and
 - c) information that must be disclosed in compliance with a judicial or governmental order or other legal process.

GC12. Notifications

GC12.1.1 Unless expressly stipulated to the contrary by the *Grid Code Secretariat*, notifications required under the terms of this *Regional Grid Code* shall be in writing by letter or e-mail.

GC13. Entry into force

GC13.1 Entry into force

GC13.1.1 This *Regional Grid Code* shall enter into force on XX.XX.XXXX

GC13.1.2 With the exception of the provisions ... which shall apply immediately as from the entry into force, this *Regional Grid Code* shall apply as from [date – at minimum 18 months after entry into force]. This *Regional Grid Code* shall be binding in its entirety and directly applicable to all *Parties*.

GC13.2 Transitional provisions

GC13.2.1 [To be determined based on instructions received from the *Administrative Authority* and the *Project Steering Committee*]

GC14. Language

GC14.1.1 This *Regional Grid Code* is written in English. In case of any discrepancies between the English version and a version translated into any other language, the English version shall prevail.

GC15. Regional Grid Code version control and register

GC15.1 Regional Grid Code version control

GC15.1.1 Each of the Sections and Codes of this *Regional Grid Code* shall have separate version control and approvals. The *Grid Code Secretariat* shall be responsible for

version control. The *Administrative Authority* shall be responsible for overall *Regional Grid Code* publication.

GC15.2 *Regional Grid Code* revision register

GC15.2.1 All revisions to the *Regional Grid Code* shall be recorded in the *Regional Grid Code* revision register that shall indicate the date, the provision amended, the recommendation from the *Grid Code Review Panel* and the reason for the change.

GC15.2.2 The up-to-date *Regional Grid Code* including all approved revisions shall be published on the website of the *Administrative Authority*, along with the *Regional Grid Code* revision register.

GC15.2.3 The revised version of the *Regional Grid Code* shall take effect from the date on which it is published on the website of the *Administrative Authority*, or such other later date as specified by the *Administrative Authority*.