



ELECTRICITY REGULATORY AUTHORITY

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OUR MISSION:

“REGULATING THE ELECTRICITY INDUSTRY FOR EFFICIENT AND RELIABLE SUPPLY AT EQUITABLE PRICES”

GUIDANCE ON PERMIT AND LICENSE APPLICATIONS

The Electricity Regulatory Authority (ERA) was set up following the enactment of the Electricity Act 1999 (Chapter 145, Laws of Uganda) (“the Act”) to regulate the Generation, Transmission, Distribution, Sale, Import and Export of electrical energy in Uganda.

The Authority, while exercising its licensing mandate has noticed the emergence of speculative behavior in the electricity sector among applicants for licenses, permit holders and licensees. It has been observed that some permit and license holders are trading or dealing in the instruments as items for sale.

This behavior has impeded the development of the electricity sector despite the good policy framework in place and an attractive tariff regime.

In light of the increase in power demand by over 10% per annum and the constrained supply situation, it is imperative to fast track development of all energy sources, particularly the mini-hydroelectricity sources.

In the circumstances, the Authority would like to issue the following guidance to all developers, permit and license holders in the electricity sector.

1. PERMIT AND LICENSE APPLICATIONS.

The Authority shall process only applications that satisfy the requirements of completeness as detailed in Sections 29 and 33 of the Act;

The qualification requirements are detailed in our publication titled ‘Checklist of Requirements for Qualifying Permit and License Applications’, available at **ERA House, on Plot 15, Shimoni Rd Nakasero – Kampala** and on the website **www.era.or.ug**.

Upon receipt of a complete Permit application, the Authority will establish the legal status of the Applicant, carry out a detailed assessment and due diligence of the Applicant’s technical and financial capacity to undertake detailed feasibility studies and raise the equity required for implementation of the proposed project.

Due diligence will be conducted in order to verify the accuracy of the information submitted to the Authority and may require ERA to involve other Government agencies or independent experts.

2. APPLICATIONS FOR PERMIT EXTENSION

The validity of a permit shall not exceed a period of twelve (12) consecutive calendar months only. Renewal of such Permit may only be granted upon fulfilment of the terms and conditions set out in the Permit. **Applications for Permit extension must be supported with demonstrable evidence of feasibility study progress and sufficient justification for the extra time sought.**

The Authority shall only grant a Permit extension, where the Permit Holder has demonstrated sufficient feasibility study progress during the period of validity of the Permit and provided adequate justification for the permit extension.

3. ALLOCATION OF HYDROPOWER SITES

In accordance with **Circular No. ERA 001/2011**, available at ERA House and the ERA website, a developer holding a generation and sale license maybe issued a Permit for another site only after construction has commenced under the current license, financial close has been achieved and overall construction has reached 75% completion.

4. PERMITS AND LICENSES ARE NOT SALEABLE UNDER ANY CIRCUMSTANCES.

Issued Under the hand of the Chief Executive Officer

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