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WARNING

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SUMMARY

Assembly of the Republic:

Law n.th12/2022:

Electricity Law and revokes Law No. 21/97, of 1 October.

ASSEMBLY OF THE REPUBLIC

Law n.th12/2022

July 11th

Given the need to adapt the legal framework of the electricity sector to the current social, technical and financial dynamics, as well as to the objectives of sustainable development, energy transition consistent with the country's reality and universal access to quality energy, efficiency and reliability, taking advantage of all energy sources, with emphasis on renewables and the reduction of the use of fossil sources, under the provisions of number 1, article 178 of the Constitution of the Republic, the Assembly of the Republic determines:

CHAPTER I

General Provisions

THEARTICLE1

(Object)

The purpose of this Law is to define the general organization of the electricity sector and the legal framework for electricity supply activities.

THEARTICLEtwo

(Scope)

1. This Law applies to the production, storage, transport, distribution, commercialization and consumption of Electric Energy, including its import and export.

2. The use and exploitation of energy sources for purposes other than the production of electricity is subject to specific legislation.

THEARTICLE3

(Definitions)

The meaning of the terms and expressions used can be found in the Glossary, annexed to this Law and which is an integral part.

CHAPTER II

Institutional Structure

THEARTICLE4

(Role of the State)

1. The State and other public law legal persons have a decisive role in promoting the enhancement of existing potential, in order to allow ever-wider access to the benefits of electricity and contribute to the economic and social development of the country.

2. The State ensures the participation of the private sector in the public electricity supply service, including public-private partnerships and through concessions that guarantee the right to use and exploit the energy potential, safeguarding national interests.

3. In cases where the use of goods is verified and State assets or public funds, the State participates through entities of the business sector in the supply of electricity.

4. The State has responsibility for formulating policies, strategies, planning, organization and definition of the legal and regulatory framework of the National Electricity System.

5. The State promotes cooperation and regional integration in the field of electrical energy.

THEARTICLE5

(Attributions of the Council of Ministers)

Within the scope of this Law, the Council of Ministers is responsible for:

The) approving undertakings for the supply of electricity, with an installed capacity equal to or greater than 100 megawatts *mw*

B) define the levels of competence regarding the granting of electricity supply rights, for installed capacity of less than 100 *mw*

ç) define the procedures for granting electricity supply rights to mini-grids;

d) define policies, strategies and plans that ensure the efficiency, competitiveness and sustainability of the electricity sector, universal access, as well as national energy security;

and) to regulate this Law, including complementary norms on health, safety, hygiene within the scope of the exercise of electricity supply activities;

~~f~~exercise the other powers assigned to it under the terms of the applicable legislation.

THEARTICLE6

(Energy Regulatory Authority)

The Energy Regulatory Authority, hereinafter referred to as ARENE, exercises the power of supervision, regulation, representation, inspection and sanctions relating to electricity supply activities and the operation of the system and the market, in accordance with the applicable legislation and watches over the defense of the rights of consumers and other stakeholders in the National Electricity System.

THEARTICLE7

(Management of the National Electricity System)

1. The management of the National Electricity System is assigned to a legal person governed by Public Law, with administrative, financial and patrimonial autonomy, which guarantees the operability and expansion of the public electricity supply service.

2. The Manager of the National Electricity System performs the functions of System Operation and Market Operation, with support from the National Dispatch Centre, including the performance of planning and development functions for the National Electricity System.

3. It is incumbent upon the Council of Ministers to approve the statute, define the powers, competences and organic structure of the Manager of the National Electricity System.

THEARTICLE8

(Energy planning)

1. The planning of the National Electricity System must be carried out regularly and aims to determine scenarios and prepare the expansion plan for infrastructures with greater efficiency and cost-benefit ratio for the supply of reliable and quality electricity to consumers.

2. The planning activities, to be carried out by the Manager of the National Electricity System include:

~~The~~preparing and updating the Integrated Master Plan for Electricity Infrastructures and other strategic documents, in order to determine the expansion of the infrastructures for the production, transmission and distribution of electricity, always with the best possible cost-benefit ratio;

~~B~~ensure and keep up to date the mapping of energy potential;

~~c~~ensure and keep up to date the mapping of areas likely to develop mini-grids or residential systems;

~~d~~the planning of strategic energy reserves for the country, considering the import and export of electricity;

~~and~~carrying out technical-economic and socio-environmental feasibility studies, with a view to making efficient and effective use of available national energy sources for national electricity production;

~~f~~the establishment of partnerships, technical cooperation agreements with other institutions responsible for planning, for the coordination of electrical planning at regional level.

3. The planned planning of the National Electricity System in number 2 of this article must comply with the guidelines of the Council of Ministers.

THEARTICLE9

(Energy Registration)

1. The activity of supplying energy or providing of energy services, as well as the respective suspension, modification, extension and extinction, is included in the Energy Register, maintained by the competent entity under the terms of the applicable legislation.

2. Without prejudice to the provisions of number 1 of this article, the Energy Register contains the following data and information:

~~The~~concessions and other acts inherent to electricity supply activities, including the location of undertakings and electrical installations;

~~B~~database of operators and suppliers of goods and services of electricity supply activities;

~~c~~specifications and certifications for equipment and other goods, components and accessory and spare parts for electrical installations;

~~d~~national energy matrix;

~~and~~national energy balance;

~~f~~hydrological data relating to hydroelectric production;

~~g~~local content plans and results;

~~H~~technical, financial, environmental impact studies and mitigation plans.

3. Data relating to the Energy Register are the property of of the State and its access is governed by the Law of the Right to Information.

CHAPTER III

Conditions and Procedures for Granting a Concession

THEARTICLE10

(Grant criteria)

1. Attribution of concession for the exploration of the activity supply of electricity, complies with the following general criteria:

~~The~~the benefits to be obtained, which must be greater than the resulting damages or risks, in economic, social and environmental terms;

~~B~~the demonstrated ability to mitigate or compensate for costs and damages that may be caused to third parties or to the environment;

~~c~~consistency with the Integrated Master Plan for Electricity Infrastructures and other strategic documents for the electricity sector;

~~d~~the capacity for the planned demand of consumers so that they are connected to the network with adequate reserves, reliability and quality of services;

~~and~~fairness and reasonableness in the calculation for setting prices, tariffs and the formula, so as to reflect investment, operation and maintenance costs or for transmission and distribution, subject to the tariff regime defined by the Energy Regulatory Authority;

~~f~~the balance between supply and demand;

~~g~~energy efficiency;

~~H~~the supply of electricity, which must be carried out under regulated conditions of reliability and quality;

~~i~~the impact of project implementation for the purposes of social, economic and sustainable development of local communities and local content;

j) the effect of technology on the use and training of the national workforce and its effective employability;
k) suitability and technical, operational, legal, economic and financial capacity of the applicant.

2. Carrying out technical studies and other investigations connected directly or indirectly to an electricity supply project requires prior authorization by the competent authority, under terms to be regulated.

3. Production, storage, transport, distribution and marketing, including the import and export of electricity, as well as the construction, operation and management of electrical installations by natural or legal persons, under public and private law, require prior attribution of a concession, which may cover a or more operations described in this article.

THEARTICLE11

(Grant request)

1. Application for concession for production, transport, distribution and commercialization of electricity, as well as the request for import and export, is addressed to the Minister who oversees the area of energy and is processed with ARENE, and must contain the identification of the applicant, as well as an indication of the objectives of the request .

2. The competent authority authorizes or refuses the request, within a period of 180 days from the date of receipt.

3. The grant application requirements are fixed in regulations and are conditioned by prior verification of the absence of conflicts.

4. Requests for concession, extension and transmission are subject to publication under the terms to be regulated.

THEARTICLE12

(Assignment of concession)

1. The concession is awarded through a public tender, organized, instructed and handled by ARENE.

2. The public tender system follows the established rules by the Law governing Public-Private Partnerships and respective regulation.

3. Concessions may also be granted, as exceptional, via direct adjustment:

The) as a measure of last resort for contracting, in weighty situations and duly substantiated by the contracting public entity and provided that the undertaking is of public interest;

B) in cases where the public tender previously launched has been deserted or in cases where the winner has withdrawn, with the contract taking place on terms no less favorable than those published in the respective tender;

ç) in the case of transmission lines built to serve a specific concessionaire;

d) in the production of electricity using goods that are not in the public domain.

THEARTICLE13

(Content of the concession agreement)

With the exception of the concession contract for mini-grids, the concession contract must include, at least, the following elements:

The) the nature and purpose of the concession;

B) the duration;

ç) applicable tariffs, fees and taxes;

d) social and business responsibility;

and) civil liability and insurance;

f) performance guarantees;

g) obligations relating to health, safety and the environment;

H) the grounds and procedures for transmitting, sequestering, altering, terminating and revoking the contract;

i) force majeure and risk allocation and mitigation;

j) expropriation, kidnapping and ransom by the State and compensation;

k) means of conflict resolution, including recourse to international arbitration when applicable;

l) local content, training and recruitment of nationals;

m) rights and obligations relating to project financing;

n) the draft binding contract with the operator of the National Electric Energy Transport Network;

O) the use of water resources;

P) the anti-corruption clause.

THEARTICLE14

(Production for own use carried out by third parties)

1. The holder of an electrical installation may, directly or through third parties, obtain electricity supply, within a concession area, when the concessionaire:

The) does not have conditions and is not interested in making the investments required to supply energy with the required quality;

B) is unable to offer commercial terms that make the investment viable.

2. The production of electricity for private use and consumption, when carried out by third parties, it requires a concession, under the terms of this Law.

3. The production facility for private use connected to the National Energy Network may sign a contract for the sale of surplus electricity produced and not consumed with the National Network Manager, under terms to be regulated.

THEARTICLE15

(Waiver waiver)

1. The production of electricity for

private use and consumption and that is not intended for supply to third parties.

2. Without prejudice to the provisions of number 1 of this article, any electrical installation requires an establishment license and an operating license, under the terms of the applicable legislation.

THEARTICLE16

(Concession period)

1. The concession is granted through a contract administrative, for a period established therein, under the terms of the legislation on Public-Private Partnerships.

2. The concession renewal request must be consistent with amortization periods for additional investments and with the need to make the resources used available for other purposes that guarantee greater economic and social benefits.

THEARTICLE17

(Transmission of concession)

1. The partial or total transfer of rights and obligations covered by the concession to affiliated entities or third parties,

including the direct or indirect transfer of shares, quotas or other forms of participation, which implies corporate control of the concession holder, is subject to prior approval by the entity that oversees the energy sector.

2. The transfer of rights and obligations covered by a concession made without observing the provisions of number 1 of this article does not produce legal effects.

3. The name change of the concession holder that does not imply change in corporate control is subject to prior communication to the entity that oversees the energy sector.

THEARTICLE18

(Export of electricity)

1. The export of electricity must be done without prejudice of National Energy Security.

2. The export concessionaire must comply with the technical and operational requirements established in the National Electricity Network Code and other requirements established by the National Electricity System Manager.

3. The capacity made available for export can only be interrupted in case of force majeure or national emergency, under the terms of the applicable legislation and the concession contract, as determined by the Manager of the National Electricity System.

4. Export tariffs cannot be subsidized to the detriment of the national market.

THEARTICLE19

(Import of electricity)

1. Electricity is imported by concessionaires production, transmission and distribution, when the respective concession contract specifically authorizes it and to ensure the supply of energy to the respective consumers.

2. The dealer must meet the technical requirements and operational requirements established in the National Electricity Network Code and the other requirements established by the National Electricity System Manager.

THEARTICLE20

(Mini-grids)

1. The establishment of mini-grids, involving production of electricity with an installed capacity equal to or less than 10mw, lacks concession, under the terms of this Law.

2. Electricity mini-grids are exempt from fees concession, without prejudice to the payment of other taxes or fees due under the terms of the law.

3. Mechanisms for connecting to the National Electric Grid and compensation resulting from the expansion of the National Electric Network to the location where the mini-grid is installed are defined by regulation.

THEARTICLE21

(Energy storage systems)

1. Electrical energy storage can take place autonomously or integrated with energy supply activities to provide auxiliary services and contribute to the balance and quality of the system.

2. Rules and regulations on Storage Systems of Energy are specified in specific regulations.

THEARTICLE22

(Energy efficiency)

Equipment used in the supply of electrical energy, including in isolated residential systems, must comply with

energy efficiency requirements and universally established minimum quality standards.

THEARTICLE23

(Supplementary Services)

1. Supplementary services are technically indispensable for the management of the National Electricity System to have adequate levels of safety, stability and quality of service, including frequency regulation, voltage or reactive power control, static compensation, island operation, rotating reserve, phase balance, blackout start-up, fast start-up, momentary power reduction, fast frequency response, synchronous inertia and others.

2. Supplementary services are remunerated in a way to offset the investments made in equipment as well as the discontinuation caused by the technique and applied technologies.

3. Supplementary services are subject to regulation specific.

CHAPTER IV

Rights and Obligations Relating to Activities Electric Power Supply

THEARTICLE24

(General consumer rights and obligations)

1. The following are general consumer rights:

- A)* the quality of the goods and services provided, as established in the rules and regulations;
- B)* the protection of health and physical safety;
- C)* the right to privacy and data protection;
- D)* the right to information, namely in relation to prices and tariffs, equipment security, invoicing, forms of payment, quality of services and all existing rules and regulations on complaints and suspension of service provision;

E) tariffs based on costs incurred in providing the service;

- F)* protection relating to unfair terms or conditions;
- G)* compensation for damage resulting from the supply of defective goods or provision of services;
- H)* access to dispute resolution mechanisms.

2. The general obligations of the consumer are:

- I)* pay the fees and charges due;
- J)* allow supervision and inspection by the competent entity and by the concession holder;
- K)* comply with the technical and safety requirements with respect to the network, using materials, equipment, electrical installations, with specifications contained in the specific regulation;
- L)* provide information for billing purposes;
- M)* provide information to the transmission or distribution concessionaire, for the purposes of energy planning, whenever it proves necessary to change the initial power.

THEARTICLE25

(Specific obligations of the concession holder)

1. The concession holder undertakes, among other things, duties to:

- N)* explore the authorized activity in accordance with universally established and accepted standards, seeking to carry out its obligations in good faith and with the level

the skill, diligence, prudence and foresight that would be expected of an experienced and expert operator, with sufficient financial means and in compliance with the laws, regulations, concession contract or license and network code in force;

B) in the case of a concession, provide for the proper maintenance of all assets allocated to the concession until its term, subject to inspections in accordance with the legislation in force;

C) pay the compensation due for the expropriated rights or assets, and inform the holder of said rights or assets 30 days in advance of the start of deforestation, thinning, pruning or felling of trees and bushes and earth removal operations;

D) refrain from any restriction or limitation of property rights;

and) return the water used in the supply of electricity in the initial conditions of purity, temperature and salubrity, according to the data recorded when capturing the same;

F) proceed with the re-establishment of communication routes and interrupted circuits, reduced or diverted by carrying out construction works, maintenance, improvement and repair of electrical installations;

G) observe the relevant legislation on environmental issues;

H) observe, in the applicable part, the legislation on waters and fisheries and respective regulations;

I) give access to duly accredited persons or entities, for the purpose of inspecting the facilities, equipment, accounting records and any other documentation relating to the activity for which the concession was granted;

J) provide the data and information considered relevant for the control of the concessionaire's activity under the granted concession.

2. The concessionaire is also obliged to provide the service supply of electricity in order to better serve the interests and needs of consumers and to contribute to the economic and social development of the country.

3. The obligations set out in numbers 1 and 2 of this article, as well as the other specific obligations that must fall on the holder of the concession are subject to regulation.

THEARTICLE26

(Duty to supply electricity)

1. The concessionaire must, under the terms established by law and in the respective concession, ensure the supply of electricity to all potential consumers who are in a position to guarantee the payment of their consumption and the costs of installations, branches or derivations, as well as the necessary extension or reinforcement work.

2. In case of undue refusal, reduction or delay supplying electricity to a candidate or consumer, the latter may resort to ARENE or another competent entity, which decides whether the concessionaire should carry out the supply, determining the conditions under which this should take place.

3. The consumer of electricity within an area concession or license may obtain the supply of electricity from any concessionaire or license holder, under the terms of the applicable legislation.

4. The concessionaire must cooperate in the coordination and articulation with other electricity suppliers regarding national and regional electricity supply plans.

THEARTICLE27

(Regularity of supply)

1. The concessionaire must ensure the provision of service supply of regular and good quality electricity, in order to avoid damages and losses to economic activities, appliances and electrical equipment of consumers.

2. Electricity supply can be suspended or temporarily and partially interrupted for the concession holder to ensure the conservation or repair of the installations and equipment, and carry out improvement works.

3. The concessionaire undertakes to reduce, to the minimum possible, the number and duration of interruptions and suspensions, as well as limiting the periods and hours likely to cause the least amount of damage and inconvenience to the consumer, namely at weekends, holidays and time off days.

4. The concessionaire must, upon prior public notice, give to inform consumers of the dates and times of these interruptions and suspensions.

5. In case of force majeure that requires an urgent intervention, the concession holder may, exceptionally, immediately take the necessary measures for the conservation and/or repair of the installations or equipment, including the suspension of the provision of the service.

THEARTICLE28

(Reduction, suspension or termination of supply)

1. The concession holder cannot reduce or terminate to the supply of electricity, unless:

The) the consumer is declared insolvent or bankrupt, subject to the terms and procedures of applicable law;

B) the consumer does not comply with the conditions established in the electricity supply contract, including the timely payment of tariffs and charges due for consumption and does not remedy the non-compliance within 30 days, after receiving a written notice;

C) has to ensure the reinforcement of the capacity of the National Electricity Network, through the carrying out of works of conservation, improvement or repair of the installations and equipment, subject to a minimum notice period of 48 hours;

d) there is force majeure, under the terms defined by law.

2. The concession holder must replace the supply of electricity, within a period of 24 hours, counting from the time of rectification of the situation that justified the suspension or reduction of the supply of electricity.

3. The concession holder undertakes to communicate, immediately and periodically, to ARENE, the number of interruptions and suspensions, including their duration and consequences, as well as other information regarding the quality of supply that ARENE may request.

4. In case of undue refusal, reduction or delay supplying electricity to a consumer, the latter may resort to ARENE or another competent entity, which decides whether the concession holder should carry out the supply, determining the conditions under which this should take place.

THEARTICLE29

(Access to consumer premises)

1. The dealer or his representative, duly identified, has the right of access to places that receive or have received electricity, with the aim of:

The) carry out maneuvers or inspect measuring devices and other apparatus and equipment

technicians, as well as the works, lines and other infrastructure - structures belonging to the concession holder;

B) count the electricity supplied or check the metering equipment;

ç) carry out the removal of the equipment that belongs to you when the term of electricity supply is verified;

d) repair or replace the equipment of the electrical installation under its responsibility.

2. The concessionaire is obliged to repair the damage caused by virtue of the exercise of the rights referred to in number 1 of this article.

THEARTICLE30

(Transit of electricity)

1. The transport and/or distribution concessionaire of electricity cannot be refused to another concessionaire or consumer, provided there is technical availability and as long as this does not negatively affect its obligations of quality of service, access and transit of electricity in its electrical installation.

2. The energy transport and/or distribution concessionaire electricity grants, without discrimination, access and transit to another concessionaire or consumer under comparable conditions, in quality and tariffs for the use of networks regulated by ARENE, to the respective transmission and/or distribution service directly provided.

3. The transit of electrical energy through the installations of a third party is done upon payment of a transit fee approved by ARENE.

4. The granting of a concession for transport and/or distribution of electricity may be conditional on increasing the capacity of the proposed facility to allow access by other consumers and/or concessionaires to the transit of electricity.

5. The conditions and technical requirements applicable to transit of electricity, for the purposes of transmission and distribution activities, are defined in the respective National Electricity Network Code or Electricity Distribution Networks Code.

THEARTICLE31

(Allocation of goods by the concessionaire)

The concessionaire undertakes to assign to the activity movable and immovable property necessary for the proper management and exploitation of the service granted, even if they do not participate directly in the supply of electricity, namely motor vehicles, materials, utensils, raw materials, consumables and measuring and counting apparatus.

CHAPTER V

Extinction of the Concession and Its Effects

THEARTICLE32

(Extinction of concession)

1. The concession expires:

The) by agreement between the parties;

B) for the duration of the concession term, including any extension;

ç) by revocation pursuant to number 3 of this article;

d) by resolution on the initiative of the concessionaire, under the terms of number 7 of this article;

and) for the occurrence of a force majeure event that is insusceptible of repair or mitigation.

2. The declaration of termination of a concession is subject to verification of the continuity of electricity supply to consumers.

3. The revocation referred to in paragraphç), number 1 of the present article, is subject to prior communication from the competent authority, to the concessionaire when, among others, any of the following facts occur:

The) deviation from the object of the concession;

B) the non-initiation, suspension or abandonment of the activity object of the concession, including the non-supply of electricity, which is not caused by a case of force majeure;

ç) non-compliance with the execution schedule of the project object of the concession;

d) the repeated refusal to allow the due exercise of inspection and supervision;

and) the declaration of bankruptcy or insolvency and consequent liquidation of the concessionaire;

f) refusal to carry out proper maintenance, conservation and repair of electrical installations and goods allocated to them;

g) fraudulent charging of tariffs higher than those established in the concession or in the applicable tariff regime or the approved tariffs, as the case may be;

H) the transfer of the concession without the prior approval of the competent authority or other unauthorized transmission;

i) disobedience or systematic non-compliance with the applicable legislation;

j) the serious violation of the clauses of the concession contract or of the provisions of this Law and its regulations.

4. In the case of mini-grid interconnection to the Electricity Grid National, the termination of the respective concession is subject to the regime defined in regulation.

5. The granting entity does not revoke the concession if the concessionaire, within the period established in the communication referred to in number 3 of this article:

The) fully comply with its obligations and correct or remedy the facts that gave rise to the revocation notice;

B) alternatively submit a plan and schedule for the adequate correction of these same facts.

6. The concession contract may provide for notification to the main creditors of the concessionaire so that, within the period determined for them, they can propose a solution that may prevent the revocation.

7. The concessionaire can terminate the concession contract based on serious breach of the State's obligations, if the same results in disturbances and/or damages that jeopardize the proper exercise of the activities object of the concession.

8. Resolution at the concessionaire's initiative is subject to:

The) prior notification to the competent authority, with a minimum prior notice of 24 months, explaining the facts on which the resolution is based;

B) to fulfill the obligations arising from the concession.

9. Without prejudice to the provisions of the previous numbers of the present article, in the 12 months prior to the end of the concession, the competent entity shall take all the necessary and useful measures to ensure the continuity of the public electricity supply service granted and its transition to a new operating regime.

10. The termination of the concession pursuant to paragraph *C*, from the mere 1 of this article, is sufficient basis for the execution of the performance guarantee.

11. The concession termination process must be instructed by ARENE and decided by the competent entity, ensuring the right to adversarial proceedings.

THEARTICLE33

(Effects of termination of concession)

1. In the event of termination of the concession pursuant to the provisions in article 32 of this Law, with the exception of the revocation referred to in paragraph *B*, number 1 and number 3 of this article, the competent authority may determine, in accordance with the criteria and procedures applicable to the granting of a concession:

The the reversal of movable and immovable property, tangible and intangible assets, allocated to the activity object of the concession, at the fair value of the audited asset, in favor of the State or an entity that it designates with technical and financial capacity, which carries out the operation and exploitation direct;

B the implementation of the demobilization plan by the concessionaire, proceeding with the removal or destruction of electrical installations and/or movable and immovable property allocated to the activity object of the concession and the recovery of the site of the authorized activity, ensuring, whenever possible in terms of environmental legislation, the restoration of environmental conditions pre-existing to the implementation of the project.

2. In the case of reversal, the entity that, under the terms of the paragraph *The*, of number 1 of this article, starts to operate in the facilities, must inventory the existing assets, being responsible for it.

3. Without prejudice to the provisions of paragraph *B*, from number 1 of this article:

The the State enjoys the right of preference in the acquisition of movable and immovable property, tangible and intangible assets, assigned to the activity which is the object of the concession at the fair value of the audited asset, less any amounts that may be owed to the State;

B in cases where the State does not exercise its preemptive right provided for in paragraph *The*, number 3 of this article, the concessionaire may freely dispose of his movable and immovable property, tangible and intangible assets, provided that he is in a regular tax situation with the State.

4. In case of revocation due to non-compliance with obligations of the concession by its holder, the reversal to the State for the audited book value of the facilities, movable and immovable property, tangible and intangible assets allocated, free of any encumbrances or charges, without prejudice to the compensation due to the State for losses and damages caused, as well as other obligations to which it is bound.

5. The value of movable and immovable property, and tangible assets and intangibles, referred to in this article, is determined by an independent expert, safeguarding the rights of the parties under the terms of this Law.

6. The extinction of a concession determines the resolution of the respective contract.

THEARTICLE34

(Demobilization)

1. If there is no extension of the concession or reversal of goods and rights to the State or a third party,

the concessionaire must implement the decommissioning plan, using the decommissioning fund for this purpose.

2. The concessionaire must prepare and submit to ARENE a decommissioning plan, at least 24 months in advance of the scheduled date for the closure of the activities subject to the concession, reuse or destruction and removal of electrical installations and/or movable and immovable assets related to the activity subject to the concession.

3. The demobilization plan must be drawn up in consultation with the entity that oversees the energy sector, ARENE and the entity that oversees the environment sector.

4. The content of the demobilization plan is subject to of regulation.

THEARTICLE35

(Demobilization Fund)

1. Until the date of commencement of commercial operation, the concessionaire must open, in a bank located in the Republic of Mozambique, an interest-bearing account, in a currency authorized by the Bank of Mozambique, to be designated as the Demobilization Fund, in which funds are periodically deposited to cover the estimated costs of demobilization.

2. Cost estimate calculations and payments demobilization plans are prepared by the concessionaire and submitted to ARENE, the criteria for which must be determined by regulation.

THEARTICLE36

(Indemnity)

1. Without prejudice to what is agreed in the concession contract, once the concession has been extinguished and the reversal of the allocated facilities and assets has been verified, the concessionaire is compensated under the terms of the provisions of this article, for the audited book value of the equity investment, free of any encumbrances or charges and without prejudice to the State's right of recourse over the concessionaire, for the losses and damages caused and for the obligations assumed by him, which have been contracted in contraindication with the law or with the concession contract.

2. In calculating the indemnity, depreciation is considered of the assets, verified up to the date of transfer, their state of conservation and effective functioning, namely, any deterioration due to lack of maintenance or repair, as well as their suitability for the purposes of the installation.

3. For the purposes of calculating compensation, no into account neither the fact that it is an administrative reversal, nor the potential profits or loss of profits from the installation.

4. In case of transfer of facilities to a third party, the third person or entity to whom the installations and respective concession are granted, is responsible for the compensation under the terms of numbers 1, 2 and 3 of this article, to the initial concessionaire for the value of its assets.

5. If the costs of the goods have already been partially or fully amortized against tariff revenue, this fact is taken into account in order to ensure that consumers covered are only responsible for amortizations, without tariff terms to be applied, for the parts not yet amortized.

6. The calculation of the compensation amount is prepared by the concessionaire, submitted to ARENE, for the purposes of an opinion, and is approved by the competent authority.

7. Of the decisions taken in terms of indemnities, it is up to appeal to the competent judicial or administrative bodies.

THEARTICLE37

(Reversion of assets and rights)

1. In the case of a concession involving electrical installations the construction of which was derived from public funds or did not result from the concessionaire's own funds, the concession contract may provide that, on the date set for the end of the concession and if there is no extension of the concession, all assets allocated to the concession revert, free of charge and without any charges, for the State or for the entity that it indicates, operating, also and in the same terms, the subrogation and all the rights of the concessionaire.

2. Without prejudice to any other provisions of the law, when the concession period expires, the assets and rights are returned to the granting authority or transferred to a third party appointed by the same, against payment of the investments previously agreed between the granting authority and the concessionaire, which have been carried out, but still not amortized on the date of return of the project.

THEARTICLE38

(Dealer's responsibility)

1. The dealer is solely responsible for the proper operation and maintenance of the infrastructures and service object of the concession, which it manages and operates at its sole expense and responsibility.

2. The responsibility referred to in number 1 of this article, simultaneously comprises:

- The* the criminal liability incurred for failure to comply with current laws and regulations;
- B* civil liability for damages and losses caused under the terms of the legislation in force.

3. All civil liability is excepted in the cases:

- The* force majeure;
- B* fault or negligence of the injured party, duly proven;
- ç* where the accident is attributable to third parties;
- d* in which losses, damages or disasters result from the very nature of the installation.

4. When damages, losses or disasters result of different interdependent installations, the concessionaires of each one are jointly and severally responsible for them, and the respective indemnities must be equally divided among all, except when it is demonstrated that the responsibilities belong to some without affecting the others, in this case, the indemnities are divided by those responsible, in a fair and equitable manner.

5. The electrical installation concessionaire is responsible for acts carried out by its workers which result in damage.

CHAPTER VI

Tariffs, Prices and Fees

SECTION I

Tariff and Price System

THEARTICLE39

(Tariff principles)

1. The establishment of consumption tariffs and energy prices electricity must comply with the following principles:

- The* the balance between the lowest possible cost and the quality goals of the service provided;
- B* cost recovery, including expansion of access and public lighting, as well as operating costs, capital depreciation, payments

- of debts, reserves to deal with, inter alia, emergency maintenance, repairs and replacements and taxes, provided they are prudent, efficient and reasonably incurred;
- ç* reasonable return on invested capital taking into account an adequate capital structure that reflects the risks of the activity;
- d* adequate sharing of productivity gains with the consumer.

2. Electricity tariffs and prices must be fair and reasonable and must promote the economic and financial balance of regulated activities in the electricity supply chain, provided they are carried out with efficiency and prudence.

3. Tariffs, readjustment and revision rules must be sufficient for the adequate rendering of the granted services and the maintenance of the economic-financial balance of the concession contract and complemented with social protection for low-income consumers.

4. The consumer cannot be charged for any other tariffs, prices, costs, or charges that have not been foreseen in the respective concession or approved by ARENE.

5. Rates and prices may vary depending on technical characteristics and specific costs, reflecting the fixed and variable costs incurred in the supply of electricity, in relation to:

- The* production, for the type of energy source;
- B* to the market, for the different consumer segments, including the export and import market.

THEARTICLE40

(Rates and pricing system)

The tariff and price system consists of:

- The* production selling price;
- B* price of supplementary services;
- ç* network charges relating to transport, including transit for access and use of networks by third parties and distribution;
- d* consumption tariff.

THEARTICLE41

(Establishment of tariffs and prices)

1. The production selling price and the network tariff are established in the respective concession agreement and subject to approval by ARENE.

2. The production selling price and the network tariff are calculated to reflect capital costs, operating and maintenance costs, and a reasonable return on investment.

3. The sale price is the result of competition, negotiation or approval based on the principles defined in this Law.

4. The consumption tariff is established by ARENE, which must take into account the production selling price, network tariffs, as well as capital costs, operating and maintenance costs and a reasonable return on investment.

5. The consumption tariff is revised periodically by ARENE, being able to change for more or for less, considering the alterations in the structure of costs of the concessionaires, the incentives to the efficiency and the reasonableness of the tariffs.

6. Occurring significant changes in the costs of companies concessionaires during the tariff period, at their request, duly proven, ARENE may, at any time, revise the tariffs, aiming to maintain the economic-financial balance of the concession contracts.

SECTION II

Fees

THEARTICLE42

(Fees for the supply of electricity)

1. Carrying out energy supply activities

electricity is subject to the following fees, without prejudice to others that may be adopted under the terms of the law:

- The* the concession fee;
- B* the universal access rate;
- ç* the regulatory fee.

2. The amount and frequency of payment of the referred fees in number 1 of this article, are defined in regulation.

CHAPTER VII

Land Use and Expropriation

THEARTICLE43

(Use and benefit of land and easements)

1. The use and exploitation of the land to carry out the activities of production, transmission and distribution of electrical energy are governed by the Land Law and other applicable legislation.

2. For the purpose of carrying out supply activities of electricity, the duration of the right to use and enjoy the land, easement, special license or other right of a real nature coincides with the validity of the respective concession.

3. The exercise of energy supply activities electricity in zones of total or partial protection complies with the provisions of the applicable legislation.

4. The construction or implementation of electrical installations, including overhead, surface, underground and underwater electricity conductors, for the transmission and distribution of electrical energy, as well as for connecting electrical production installations to the transmission or distribution networks, implies the creation of an administrative easement, according to the levels of voltage and other technical and safety standards, to be fixed, up to 50 adjacent meters to be recorded in the respective concession, counted from the axis of the line.

5. The terms and conditions of the indicated adjoining strip in number 4 of this article is a function of voltage levels and other technical and safety standards, and is assessed in terms of rural or urban environments.

6. In order to safeguard the integrity, security and use of electrical installations and ensure the safety of people and goods, a safety zone for the electrical installation corresponding to the lane adjacent to the respective installation is established within the easement area.

7. Once the easement and security zone have been created, under the terms of the previous numbers of this article, the holder of the electricity supply concession is obliged to register the respective easement in the Land Registry and in the competent Land Registry Office.

8. Acquisition of the right to use and benefit from land, as well as the creation of easement for the purpose of carrying out activities to supply electricity, is subject, when applicable, to resettlement rules and the payment of compensation, under the terms of the applicable legislation.

9. Without prejudice to the provisions of number 7 of this article and the duty to compensate holders of the right to use and benefit from rural buildings and owners of urban buildings, concessionaires whose production, transport and distribution infrastructures do not have communication with the public road, nor conditions that allow establishing, without excessive inconvenience or expense, have the automatic faculty

to constitute easement of passage over neighboring rural and urban buildings.

10. Compensation is not required if said holders or owners acquired ownership of their rights after the electrical infrastructure was implemented.

THEARTICLE44

(Expropriation for public utility)

1. Carrying out the energy supply activity

electricity that implies the implementation of public infrastructures and/or of public interest, in particular the production and/or transmission of electric energy, that implies the use, occupation, damage of immovable property and rights related thereto is subject to prior expropriation and the payment of fair compensation, under the terms of the applicable legislation.

2. Carrying out the energy supply activity

electricity that implies the constitution and imposition of an administrative easement or other limitation or charge on the use and benefit of land and the rights and immovable property related to them, which results in the effective reduction of their use and value, is conditioned to the payment of fair compensation, in accordance with applicable law.

3. The declaration of public need, utility or interest, regarding the implementation of public infrastructures and/or of public interest, referred to in number 2 of this article, it is carried out in accordance with the provisions of the applicable law.

CHAPTER VIII

Safety of People and Goods and Protection of the Environment

THEARTICLE45

(Safety of energy supply)

1. Electricity supply activities must be exercised in accordance with:

- The* the laws and regulations in force on protection and preservation of the environment, including social, economic and cultural aspects;
- B* the standards and rules of good practice in the electricity supply industry;
- ç* respect for free and regular circulation, on public and private roads, not being able to affect their safety, harm other energy or telecommunications lines, or cause damage to water or other pipes;
- d* respect for people's safety and prevention of damage to material goods;
- and* respect for technical and environmental safety standards in accordance with specific regulations;
- f* the adoption of necessary measures so that the felling or cutting of trees is reduced to the essential minimum;
- g* carrying out permanent civic education work with consumers and guaranteeing the maintenance of energy transport and distribution infrastructures.

2. The country's historical and cultural heritage, as well as other places with scientific, ecological, biodiversity, landscape, geosites or architectural value, when located in the areas chosen for the establishment of electrical installations, must be respected and deserve special protection measures so that they do not suffer damage.

THEARTICLE46

(Security measures)

1. Carrying out any work that may put jeopardizing the safety of the people carrying them out, due to the proximity of electrical installations, or endangering or causing disturbances to those same installations, should only be started after the interested entities have taken, by common agreement, the necessary precautions.

2. The security and protection measures to be adopted to prevent damage to electricity installations that are important for the National Electricity Network are subject to regulation.

THEARTICLE47

(Environmental Compliance)

Electricity supply activities must be carried out in compliance with the applicable legislation on the protection and preservation of the environment, including social, economic and cultural aspects, as well as with the respective technical and environmental safety standards.

CHAPTER IX

Jobs, Works and Maneuvers

THEARTICLE48

(Performance of works, works and maneuvers)

1. Persons, entities holding authorizations are allowed to under the terms of this Law or persons with whom they contract contracts or provide services, carrying out work, works and maneuvers, within the scope of the authorizations assigned for the production, transport and distribution of electrical energy, in compliance with the legal provisions applicable.

2. Carrying out work, works and maneuvers may involve temporary alteration of the configuration of places for public use, such as communication routes, sidewalks, topography and vegetation, for the purpose of laying or replacing overhead or underground cables, installing or removing towers, poles of transmission and distribution lines, substations, transformer stations, booths, switchboards or other equipment and infrastructure
- electrical power structures.

3. During and at the end of the execution of works, works and maneuvers, the concession holder is obliged to:

The obtain the licenses and other authorizations necessary for this purpose;

B give advance notice to affected consumers;

ç respect as much as possible the original design and the materials previously used;

d proceed with adequate fencing and signaling of the affected places;

and carry out the removal of any debris created by the works;

f repair and restore the sites affected by the works, works and maneuvers within a maximum period of 30 days after the conclusion of the works and maneuvers.

CHAPTER X

Use of Water Flows

THEARTICLE49

(Access to water flows)

1. In compliance with the specific legislation that regulates the sector of water resources and with the due approval of the competent entity for the management of water resources, for the purposes

of electricity production, the concessionaire or registration holder is guaranteed access to:

The use a defined amount of flow from a watercourse;

B capturing, diverting, withdrawing, damming or storing a defined amount of water from a water course, inside or outside its bed;

ç install turbines and other electrical installations that use water sources in the partial protection zone bordering the water course.

2. The concessionaire who is authorized to use of water flows for the purposes of hydroelectricity production is subject to the rates defined in the sectoral legislation.

3. They are exempt from paying the fees referred to in number 2 of this article concessions for mini-grid projects whose system is integrated for hydroelectric use, simple or hybrid, with other sources of renewable energy, with an installed capacity of up to 5mw

4. To the concessionaire and authorization holder under the terms of this Law, it is allowed to obtain, under the terms of the Land Law and respective regulations, the right to use and benefit from the areas necessary for carrying out works and the installation of services necessary for the use of water.

5. The holder of a concession for energy production electricity from watercourses is required to:

The measure and keep beforehand, the records referring to the quality and flow of the water used, at the time of capture and subsequent use of the same;

B apply sustainable water systems and processes to maintain the purity, temperature and quality of the water used and, as the water conditions change, to restore the water quality to its original condition with respect for the environmental legislation in force.

6. The special or other license for the use and enjoyment of the land underlying the development and exercise of electricity supply activities, in the partial protection zone adjoining the watercourse that serves as the energy source, has a duration coinciding with the respective period established in the concession for carrying out the electricity supply activity electrical energy.

THEARTICLE50

(Access to other energy sources)

Access to gas, oil, coal and other energy sources is regulated by specific legislation.

CHAPTER XI

Disputes, Infractions, Crimes and Sanctions

THEARTICLE51

(Dispute resolution)

1. Disputes between authorization holders, or between them and consumers, involving regulatory matters, are subject to mediation, conciliation and decision by ARENE.

2. If the dispute is not resolved by agreement, the matter dispute may be submitted to arbitration, mediation and conciliation or to the competent judicial authorities.

3. Disputes between the State and the concession holder involving foreign direct investment, arising from the activity object of the concession, including the investment and its regime are resolved by arbitration, in terms to be set

in the title of the concession, upon written notice by a party, in accordance with:

- The*)the rules of the Washington Convention on the Settlement of Disputes Relating to Investments between States and Nationals of Other States, as well as of the respective International Center for Settlement of Disputes Relating to Investments between States and Nationals of Other States;
- B*)the rules established in the Regulation of the Supplementary Mechanism, by the Board of Directors of the International Center for the Settlement of Disputes Related to Investments, if the foreign entity does not fulfill the nationality conditions foreseen in article 25 of the Convention;
- ç*)the Paris-based International Chamber of Commerce (ICC) arbitration rules;
- d*)in the case of arbitration *ad hoc*, by one or more arbitrators appointed pursuant to the Arbitration Rules of the United Nations Commission on International Trade Law - UNCITRAL in force.

4. Venue for arbitration under ICC Rules or UNCITRAL is Maputo and the language to be used in the arbitration is Portuguese.

5. The production of documents and other related issues to the presentation of evidence are determined in accordance with the Rules of the *International Bar Association* IBA, on Production of Evidence in International Arbitration in the version in force on the date of commencement of the arbitration.

THEARTICLE52

(Infractions)

1. For the purposes of this Law, they constitute infractions the following:

- The*)carrying out the activity of supplying electricity without the necessary concession;
- B*)the establishment and/or operation of an electrical installation without the respective license;
- ç*)non-compliance with the respective obligations imposed on license and/or concession holders.

2. The offenses referred to in number 1 of this article, without prejudice to the application of a procedure of another nature, may give rise to criminal proceedings.

3. The consumer must not object to the concessionaire exercise, through its staff, duly identified and accredited, to monitor compliance with this Law and its regulations, under penalty of interruption of the supply of electricity and fines to the offender, to be fixed by regulation.

THEARTICLE53

(Procedure in case of fraud)

1. When the power supply concessionaire If an electrical company verifies or presumes the existence of fraud, it must inform the competent authorities, their agents having previously carried out an inspection of the installation to prove the fraud.

2. If, as a result of the inspection, the concessionaire verifies the existence of fraud, can suspend the supply of electricity.

THEARTICLE54

(Theft)

The following is punished, under the terms of the Penal Code, as the author of the crime of theft:

- The*)anyone who fraudulently subtracts electrical energy or fraudulently diverts electrical circuits;
- B*)who employs any fraudulent means that may influence the functioning of the meter or that allows energy to be used without being properly counted.

THEARTICLE55

(Damage)

1. He who willfully, by any means, destroy, interfering with, or disrupting, in whole or in part, electrical installations, in order to prevent the production of the public utility for which they are intended, is punishable by the crime of damage under the terms of the Penal Code.

2. It is also punished under the terms of number 1 of this present article:

- The*)the possessor or holder of copper, aluminum or other material wires, as well as components of any part of an electrical installation, including apparatus, equipment, parts and accessories used in the supply of electrical energy, who cannot prove their lawful origin;
- B*)the possessor of products or articles in the manufacture of which copper, aluminium, galvanized iron and other hardware, accessories and materials used for the supply of electricity have been used who cannot prove their lawful origin.

3. It is considered a concealment of the crime of foreseen damage in this article, anyone who, by purchase, pledge, gift or by any other means, acquires, receives or conceals for his or her own benefit, something that he knows to be the product of a crime or helps the criminal to take advantage of the same product, or influence for bona fide third parties to acquire, receive or hide it.

4. The same penalty is applied to the concealer and the accomplice that would be up to the perpetrator of the crime.

5. If any of the facts indicated in number 1 of this article results in death or bodily harm, the provisions of the Penal Code apply.

THEARTICLE56

(Sanctions)

Without prejudice to the criminal or administrative liability expressly provided for in this Law, ARENE is responsible for defining and applying sanctions for violations of the provisions of the law and other applicable legislation.

CHAPTER XII

Transitory and Final Provisions

THEARTICLE57

(Execution of agreements with third parties)

No provision of this Law may be interpreted as constituting an impediment for the concession holder to enter into agreements or contracts with third parties, with a view to carrying out works, installing equipment, technical assistance, management, operation and maintenance, in whole or in part, of the installations, maintaining the holder's responsibility under the terms of the concession granted.

THEARTICLE58

(Acquired rights)

1. The concession holder for the supply of energy existing on the date of entry into force of this Law, maintain the rights and obligations contained in the respective concession contracts for the terms defined therein, without prejudice to the observance of this Law and regulations.

2. People and entities governed by public or private law, who are currently carrying out electricity supply activities, without the respective concession or under a concession without a defined period, must regularize the situation, under the terms of this Law.

3. Recognition of the aforementioned rights and obligations in numbers 1 and 2 of this article are conditioned to the presentation, by the holder, of the respective documentation proving the exercise of the electricity supply activity, within a period of 180 days, counting from the date of entry into force of this Law.

4. Projects authorized under Law No. 21/97, of October 1st, Electricity Law, which have not yet started their implementation, or whose works are delayed, in relation to the deadlines foreseen in the respective concession, must present a project implementation schedule, including the respective budget, within 180 days from the date of entry into force of this Law.

5. If the technical and financial implementation plan and the project completion schedule, referred to in number 4 of this article, are not presented for the start of commercial operation, the corresponding concession is extinguished.

6. Entities authorized for development 21/97, of October 1st, Electricity Law, pursuant to which a Partial Protection Zone was created, in relation to the electrical installations that make up the project, may amend the applicable regime with a view to adapting the provisions of article 43 of this Law.

7. It is up to the competent entity, through an instructed process by the Energy Regulatory Authority, the recognition of the acquired rights, referred to in the previous numbers of this Law.

8. Authorizations to carry out technical studies and other investigations under number 3 of article 9 of Law no. 21/97, of 1 October, Electricity Law, are valid for the period indicated therein, with their extension being subject to the provisions of this Law.

THEARTICLE59

(Reservation of internationally assumed obligations)

The provisions of this Law do not affect the obligations arising from international commitments assumed with the Mozambican State or foreign entities, under agreements, conventions or contracts regularly entered into.

THEARTICLE60

(International cooperation)

The Republic of Mozambique participates in organizations and events of an international nature in the field of electricity and develops actions to participate in investments of regional interest, with a view to enhancing the national energy potential.

THEARTICLE61

(Applicability of the regime of public-private partnerships, large projects and business concessions)

1. The provisions of number 4 of article 22, in paragraphs *The*) and *B* of number 1 and in numbers 2, 3 and 4 of article 33, all from Law n.º 15/2011, of 10 August, which establishes the Guiding Norms of the Contracting Process, Implementation and Monitoring of Public-Private Partnership Enterprises, Large Projects and Business Concessions, and the provisions of Articles 64, 65, 68 and 69 of Decree No. 16/2012, of July 4, which establishes the Procedures Applicable to the Contracting, Implementation and Monitoring Process of Public-Private Partnership Enterprises, Large Dimension Projects and Business Concessions, do not apply to concessions for mini-grids, provided for in article 20 of this Law.

2. The regime of Law no. 15/2011, of 10 August, referred to in number 1 of this article does not apply to the activities provided for in article 15 of this Law.

THEARTICLE62

(Revocation)

1. Law no. 21/97, of October 1st, which Regulates the Activity of Production, Transport, Distribution and Commercialization of Electric Energy, as well as its Import and Export, Creates the National Electricity Council and all legislation that contravenes this Law.

2. The provisions of articles 509 and 510 of the Civil Code do not applies to electricity supply activities carried out under this Law.

THEARTICLE63

(Implementation)

This Law enters into force 90 days after the date of its publication.

Approved by the Assembly of the Republic, on the 13th of April from 2022.

The President of the Assembly of the Republic, *Hope Laurinda Francisco Nhiuane Bias*

enacted on June 22, 2022. Publish yourself.

The President of the Republic, *FILIPE JACINTHUS NOYUSI*

Attachment

Glossary

THE

High Voltage (AT) voltage between phases whose effective value is greater than 66 kV.

electrical energy storage activity of converting electrical energy into stored energy, for subsequent supply to consumers, which can be carried out independently or integrated into a production, transmission or distribution system.

self-consumer natural or legal person engaged in self-consumption or own consumption, including local communities, cooperatives, condominiums and other forms of associations and partnerships.

B

Low Voltage (LV) voltage between phases whose effective value is less than 1 kv.

Ç

Energy register national database containing written and graphic information, recorded and stored on any type of material support, and concerning the electricity matrix of the National Electricity Sector or related to it, in all its public, private or public-private aspects.

Commercialization of electricity sale of electricity to a consumer for their own use or for the purposes of sale to third parties.

Concession authorization granted by the competent entity for the production, transport, distribution and commercialization, including the import and export of electrical energy, as well as the construction, operation and management of electrical installations, jointly or separately, by public or private entities, under the terms of this Law.

dealer holder of a concession granted under the terms of this Law.

Consumer natural or legal person, including final consumers, other distributors, sellers who purchase electricity or electricity supply services, for domestic, industrial or commercial use.

Final costumer natural or legal person, including residential, commercial, industrial, agricultural units, other distributors, export consumers who purchase energy or consumers of energy supply services for their own consumption.

Consumption use of electricity by a natural or legal person in residential, commercial, industrial, agricultural units, other distributors, export consumers and sellers.

Concession contract administrative contract in which the terms and conditions applicable to carrying out, jointly or separately, the electricity supply activities are defined.

D

Electricity distribution Supply of electrical energy with a voltage equal to or less than 66 kV from step-down substations, transformer stations or switching stations of installations that receive and then transmit electrical energy to consumers.

AND

energy efficiency set of actions and measures, which aim at a more rational and intelligent use of electricity and equipment, in order to reduce energy consumption, costs and minimize environmental impacts, maintaining or even improving the quality of service.

Renewable energy electrical energy produced from renewable sources, namely wind, solar thermal and photovoltaic and geothermal energy, tidal, wave and other forms of ocean energy, water, biomass, landfill gas, gas from wastewater treatment facilities wastewater, biogas and hydrogen.

competent authority Council of Ministers, Ministry responsible for the energy sector, Local State Bodies, Municipal Bodies who are empowered to grant concessions under the terms of this Law.

F

energy sources existing natural resources, renewable and non-renewable, which allow the production of electricity, after its transformation, capture or use, including solar, wind, hydro, tidal, biomass, geothermal, natural gas and other sources.

Electricity supply carrying out, jointly or separately, the activities of production, storage, transport, distribution, commercialization of electrical energy and the provision of energy services in the territory of the Republic of Mozambique, as well as the import and export of electrical energy to and from the national territory.

G

Manager of the National Electricity System global management entity which, due to its function, ensures the permanent balance between the production and consumption of quality electricity, supported by an efficient management of the electricity market, relating to
- with all stakeholders in the National Electricity System, through System Operation and Market Operation through the National Dispatch Centre.

I

Infrastructure set of systems, facilities, equipment, *software* and other physical and virtual components, allocated to the electricity supply activity.

Start of commercial operation date of start-up and completion of commissioning and testing of electrical installation equipment, or the date of commencement of provision of energy services, as notified to the competent authority.

Electric installation equipment and infrastructure for the supply of electricity to the consumer's meter.

L

establishment license document issued by the competent authority certifying that the electrical installation can be established within a given period.

exploration license document issued by the competent authority certifying that the electrical installations have been inspected, found to be in compliance and authorizing their operation.

M

Medium voltage (MT) voltage between phases whose effective value is greater than 1 kV and equal to or less than 66 kV.

mini-grid integrated system of electrical installations for production, distribution and commercialization, which may include storage, using mainly renewable energy sources, with an installed capacity of up to 10MW, not connected to the national electricity grid.

O

market operation management and conduction of contracting activities and commercial relations with the national and regional electricity market, in order to provide an efficient platform for the transaction of electricity and for the provision of system services.

System Operation management and technical conduction of production, the transport network and interconnections with neighboring countries, guaranteeing, on a permanent basis, flexible, reliable and safe, the balance between production and consumption of electricity. To this end, the National Dispatch Center operates and relies on the Security Telecommunications Network for the transmission of phone and data. By the concept of observability ensures the functionality with the management of the Distribution Network.

P

Electricity production conversion of any other form of energy into electrical energy, whatever its origin.

R

National Electric Grid set of public service facilities for the production, transmission and distribution of electricity.

National Electric Energy Transport Network set of systems used to transport electricity between regions, both in alternating current and in direct current, within the country or to other countries for feeding subsidiary networks and includes connection systems between grids and electricity production plants, as well as the National Dispatch Centre.

security telecommunications network set of telecommunications installations and equipment essential for carrying out the operation of the production and transport installations, and for the technical management of the Electricity System.

S

energy security guarantee of having available, without interruption, energy sources at a reasonable price that allow, in the short or long term, to react promptly to sudden variations in the permanent balance between demand and supply.

system services means and contracts necessary for safe access and exploitation

and quality of an electrical system, but excluding those that are technically reserved for transmission network operators, in the exercise of their functions.

administrative easement any and all limitations on the use, occupation and transformation of the land, which prevent the holder from benefiting from his full right, imposed by virtue of the public utility of the electrical installation that is the subject of the easement.

National Electric System set of electrical installations related to the entire chain of electricity supply activities covered by this Law.

T

electrical energy transport transmission of electrical energy with a voltage above 66 kV, covering the stage that goes from the transformer banks of the stepping substations connected to the generating centrals to the stepping substations connected to the distribution.

U

Intensive use of electricity this is the regime applicable to energy-consuming installations which, in the immediately preceding calendar year, consumed more than 500 tonnes of oil equivalent to 500 toe/year.