**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **4363 [NW5524E]**

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**4363. Mr R A Lees (DA) to ask the Minister of Finance:**

Whether the Government has decided to cancel the proposed tax incentive scheme to catalyse private rooftop solar installations that the President, Mr M C Ramaphosa, mentioned when he was presenting his Energy Response Plan in June 2022; if not, what are the reasons that he did not mention the tax incentive when he tabled the Medium-Term Budget Policy Statement; if so, what are the (a) relevant details and (b) reasons?

 NW5487E

**REPLY**

The Minister of Finance does not generally make tax announcements in the Medium-Term Budget Policy Statement (MTBPS). However, the 2022 MTBPS did state that efforts to expand generation capacity would include “*facilitating investments in rooftop solar by developing a feed-in tariff for small-scale embedded generation projects, and investigating the expansion of tax incentives for commercial installations*”.

This is in line with what the President stated in the July 2022 announcement that a feed-in tariff would be developed by Eskom to incentivise greater use of rooftop solar.

To quote the President:

“*Fourth, we intend to enable businesses and households to invest in rooftop solar. South Africa has a great abundance of sun which we should use to generate electricity. There is significant potential for households and businesses to install rooftop solar and connect this power to the grid.*

*To incentivise greater uptake of rooftop solar, Eskom will develop rules and a pricing structure – known as a feed-in tariff – for all commercial and residential installations on its network. This means that those who can and have installed solar panels in their homes or businesses will be able to sell surplus power they don’t need to Eskom.”*