

In terms of section 48 of the Customs and Excise Act, 1964, Part 3B of Schedule No. 1 to the said Act is hereby amended, **with retrospective effect from 1 January 2026**, to the extent set out in the Schedule hereto.



ENOCH GODONGWANA
MINISTER OF FINANCE

SCHEDULE

By the deletion of Section B to Part 3 of Schedule No. 1:

SCHEDULE 1 / PART 3 / SECTION B

NOTES:

1. Any rate of environmental levy specified in item 148.01 shall, subject to Note 2, apply to electricity generated in the Republic.
2. For the purposes of item 148.01 electricity generated under the following circumstances will not be liable for the payment of environmental levy -
 - (a) electricity generated by electricity generation plants with an installed capacity not exceeding 5 megawatts;
 - (b) electricity generated from renewable sources; and
 - (c) subject to Note 5 (a), (b) or (c) electricity generated from co-generation by using -
 - (i) waste heat or energy from waste co-generation;
 - (ii) combined heat and power co-generation; or
 - (iii) renewable co-generation;
 - (d) electricity generated from-
 - (i) concentrated solar power; and
 - (ii) non-renewable sources of which the energy input does not exceed 15 per cent of the total energy input, over a calendar year.
3. Electricity generated at an electricity generation plant is liable for the environmental levy calculated on the quantity generated at the time such generation of electricity takes place and any losses incurred subsequent to the electricity generation process or electricity exported shall not be deducted or set off from the total quantity of electricity accounted for on the monthly environmental levy account.
4. For the purposes of item 148.01.01 the following expressions shall, unless the context otherwise indicates, have the meanings assigned thereto -
 - (a) co-generation means the generation of electricity contemplated in Note 2(c);
 - (b) electricity generation plant means one or more electricity generation unit on the same premises;
 - (c) renewable sources means -
 - (i) biomass;
 - (ii) geothermal;
 - (iii) hydro;
 - (iv) ocean currents;
 - (v) solar;
 - (vi) tidal waves; or

By the deletion of Section B to Part 3 of Schedule No. 1:

	(vii) wind;
(d)	non-renewable sources includes-
	(i) coal;
	(ii) petroleum based liquid fuels;
	(iii) natural gas; or
	(iv) nuclear;
5.	For the purposes of Note 2(c) -
(a)	waste heat or energy from waste co-generation means generation utilising waste or under utilised energy in the form of waste heat or process furnace off-gas from an industrial process with a minimum of 60% of the total energy input over a calender year for such generation to come from such waste or under utilised energy.
(b)	combined heat and power co-generation means generation which produces as part of the core design other useable forms of energy in addition to electricity utilising coal or natural gas with a minimum co-production of steam or thermal energy other than electricity over a calender year of at least 10% of total combined process energy.
(c)	renewable co-generation means generation where the renewable fuel source is both a primary source of energy used for generation and a co-product of an industrial process with a minimum of 50% of the total energy input over a calender year to come from such renewable fuel sources being sugar bagasse, woody biomass, black liquor or mill wastes such as organic soaps and methanol.
6.	For the purpose of Note 2(d) and Note 5-
(a)	calender year means a period of twelve months from 1 July 2009 to 30 June 2010 and thereafter a period of twelve months from 1 July of any other year to the end of June of the following year; and
(b)	a report by an engineer must be submitted to the Commissioner in respect of the electricity generated from the sources used during each calender year as contemplated in Rule 54FA.10.
7.	An electricity generation plant generating electricity liable to environmental levy in terms of item 148.01.01 must be licensed as a customs and excise manufacturing warehouse in accordance with the provisions of Chapter VA and the rules made thereunder.

By the deletion of the following:

Electricity Levy Item	Tariff Heading	Article Description	Rate of Electricity Levy
148.00	ELECTRICAL ENERGY		

By the deletion of the following:

Electricity Levy Item	Tariff Heading	Article Description	Rate of Electricity Levy
148.01.01	2716.00	Electricity generated in the Republic, subject to the Notes hereto	3,5c/kW.h