



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA



English

# THE GAS AMENDMENT BILL [B9 – 2021]

# The Gas Amendment Bill

Parliament of South Africa is inviting inputs from the public on the Gas Amendment Bill [B9 – 2021]. The National Assembly's Portfolio Committee on Mineral Resources and Energy acting under section 59 (1) of the Constitution, seeks to facilitate public involvement in respect of this Bill and is accordingly inviting comments and inputs from interested stakeholders.




# Why the Gas Bill?


The Bill seeks to amend the Gas Act, 2001 through its objectives to:




modernise the Act, in line with current and foreseeable developments in the gas industry landscape.




incorporate provisions dealing with unconventional gases and new transportation technologies of natural gases that are not explicitly included in the current Act.



further intends to address new technological advancements in the gas sector, particularly the transportation of gas by means other than a pipeline, including, but not limited to, transportation as liquefied natural gas (LNG) and compressed natural gas.



provide for cooperation between the private and public sectors in the gas industry.



enhance compliance monitoring and enforcement provisions of the Act and to provide for matters connected there with.



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## What is the purpose of the amendments to the principal Act?

The Bill seeks to address the following gaps in the principal Act, amongst others:

### What the Act states

The Act:

only empowers the National Energy Regulator of South Africa (NERSA) to monitor, approve and, if necessary, regulate transmission and storage tariff.

does not have timelines for carrying out some stipulated obligations, for example, Section 17 of the Act provides for how a notice of application for a license should be published, but no timeframe within which the notice must be published.

does not enforce immediate cessation of unlicensed activities and enforce registration of unlicensed operation.

does not empower NERSA to gain access into the premises where an illegal gas operation or activity is (suspected to be) taking place, only to a licensed activity (Section 29 Bill addresses the gap).

### What the Bill seeks to change

The Bill:

empowers NERSA to play a critical role with regards to tariff and price setting. These are critical to protect the interests of consumers and the public at large.

empowers NERSA to set, monitor, approve and regulate transmission, storage and distribution tariffs (Section 4(g) and 22B).

updates the Act to ensure full compliance with government's Broad Base Black Economic Empowerment (BBBEE) legislative requirements (Section 2 ).

compels government to hold industry accountable. It provides the state with sufficient measures to ensure that industry complies with the various environmental, health and safety obligations placed upon it in law (Section 18 ).



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## What the Act states

The Act:

only allows persons authorized by the licensee to enter any premises or land not necessarily belonging to the licensee but to which the licensee is supplying gas (Section 33(5) of the Bill addresses the gap).

does penalize the licensees for failure to comply with NERSA's directives. (Section 34A of the Bill addresses the gap).

is not clear on sanctions regarding a licensee's failure or refusal to provide the required data / information to the Regulator or Department or the provision of incorrect or false data / information. (Section 34A of the Bill address the gap).

## What the Bill seeks to change

The Bill:




provides for stiff penalties, including a minimum penalty of R2 million per day for breach of compliance as well as revoking operating licenses (Section 26: Compliance Notice).

will go a long way to ensure industry complies with its legal obligations. This will help protect the health and safety of workers and communities as well as the environment.

empowers the Minister of Resources and Energy to compile an Gas Master Plan, after engagement in gas supply and demand scenario planning. This would entail preparing a document setting out various scenarios in respect of gas supply, demand and transportation scenarios and estimated cost of those scenarios (Section 28A).

empowers the Minister to make a determination for gas infrastructure, gas and services. The determination may stipulate whether the person who intends to construct, operate, maintain or manage the required gas facility or service is an organ of state, private sector party or a co-operative in terms of the co-operatives Act; and, also provides for the establishment of Integrated Energy Projects (Section 28B: Gas Determination).

empowers the Minister in consultation with the Energy Regulator to issue an exemption from any of the provision of the Act, if it is likely to:

-  Safeguard the national security of the Republic;
-  Promote national, strategic or economic interest of Republic; or
-  Discharge an international obligation of the Republic (Section 34(C)).

# Why should you participate on this Bill?

Public participation is a democratic process that ensures law-makers listen to the voices of the people when they make laws.

## Why is Parliament inviting public input?

Parliament is mandated by the Constitution to ensure that the public is involved in all its processes, including law making. To satisfy this mandate, the Portfolio Committee on Mineral Resources and Energy is inviting all interested and affected parties to participate in the Gas Amendment Bill.

## Who must participate and how?

All affected and interested parties, individuals and organised formations are invited to participate by making written submissions to the Portfolio Committee on Mineral Resources and Energy. The committee may also invite oral submissions.

Submissions are usually in written and oral form. Written submissions are reinforced through oral representation to the committee, if the person or group who has made the submission is invited to make an oral presentation.

## How to write a submission?

While there is no set format for a submission to a committee, it should be well thought-out and easy to read. The following suggestions may help to achieve this:



**Heading** – Head your submission with the name of the committee to which it is addressed and the full title of the Bill or topic.



**Who is it from?** Clearly state whom the submission is from. State your name or give the name of the organisation you represent.



**Contact Details** – Include a contact address, daytime telephone number and ID number. If for private reasons you do not wish these details to be made public, state this in your covering letter and leave it off the submission itself.

# What happens after you have submitted your inputs to the committee?

The committee will consider all public inputs on the amendments of the principal Act for the National Assembly (NA) to pass the Bill. The Bill will then be referred to the National Council of Provinces (NCOP) for further deliberation and concurrence. The NCOP will initiate its own public participation process as would provincial legislatures. Thereafter, the Bill will be sent to the President for assent and signing into law.

For copies of the Bill and any further information on the committee process you can contact the secretaries of the Portfolio Committee on Mineral Resources and Energy

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## Did You Know?



- 🏛 Parliament is made up of two Houses, namely; the National Assembly and the National Council of Provinces
- 🏛 Parliament is the national law-making body of South Africa
- 🏛 A principal act is a primary piece of legislation that deals with a particular topic or area of the law
- 🏛 Bills are mainly introduced to Parliament by the Minister of a specific department
- 🏛 For a Bill to be passed into law, the President needs to sign it
- 🏛 Parliament is obliged by the Constitution to get the views of the people before passing any Bill into an act or law
- 🏛 A Bill is a proposed new law, or draft law, which has not yet been passed by Parliament or a Provincial Legislature



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