

TO WHOM IT MAY CONCERN

Date:
12 April 2011

Enquiries:
Tel +27 11 800 2536

Dear Solar Water Heating (SWH) Programme Industry Participant

The roll-out of (SWH) in the country has taken off at great pace and we commend you for your efforts in this regard. To date, approximately 64,000 systems have been installed.

Following an extensive review of the rebate programme a decision has been taken to revise the rebate levels. The extent of electricity savings for various market segments as well as the degree of local content (manufacturing) in Solar Water Heaters together with Stakeholder engagements have been taken into account. This revision will be effective from 29 April 2011.

The revised rebate levels and the dates on which the revised levels will be applicable are reflected in the table below. **Please note that systems installed before 29 April 2011 with valid and complete claims must be received by Deloitte on or before 13 May 2011 at 17:00 in order to qualify for a rebate at the current level.** Special arrangements will be made to accommodate last minute drop-offs. A communication detailing this arrangement will be sent out soon. Please communicate the content of this letter to all affected customers.

The new rebate values illustrated below will apply to all claims received by Deloitte on or after the cut-off date; this includes all systems installed on or after the 29 April 2011 and on or after 3 June 2011. The June 2011 cut-off date for valid and complete claims to be received by Deloitte for systems installed before 3 June 2011 is the 17 June 2011 at 17h00 for installed Systems. The claim documentation will need to reflect the new rebate value (i.e. updated rebate value shown on the installation invoice). Further communication will be sent to you in due course with regards to the determination of "local content".

Head Office

Customer Service Division
Megawatt Park, Maxwell Drive, Sunninghill, 2157 P O Box 1091, Johannesburg,

Changes to LP SWH rebate:	Size	Current Averages		Maximum LP Rebate Level			
		Excl VAT	Incl VAT	29-Apr-11		03-Jun-11	
				Excl VAT	Incl VAT	Excl VAT	Incl VAT
Imported	50 - 99 L	R 3,199	R 3,646	R 3,199	R 3,646	R 2,399	R 2,735
Imported	100 L and Higher	R 4,126	R 4,703	R 4,126	R 4,703	R 3,094	R 3,527
80% Local Content	50 - 99 L	R 3,199	R 3,646	R 3,199	R 3,646	R 2,879	R 3,282
80% Local Content	100 L and Higher	R 4,126	R 4,703	R 4,126	R 4,703	R 3,713	R 4,233

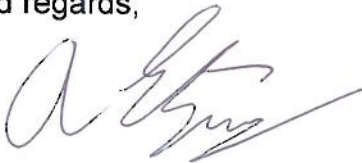
Changes to HP SWH rebate:	Size	Current Averages		Maximum HP Rebate Level			
		Excl VAT	Incl VAT	29-Apr-11		03-Jun-11	
				Excl VAT	Incl VAT	Excl VAT	Incl VAT
Imported	100 - 149 L	R 3,836	R 4,373	R 3,836	R 4,373	R 2,877	R 3,280
Imported	150 - 249 L	R 5,197	R 5,925	R 5,197	R 5,925	R 3,898	R 4,443
Imported	250 - 300 L	R 8,737	R 9,960	R 8,737	R 9,960	R 6,553	R 7,470
80% Local Content	100 - 149 L	R 3,836	R 4,373	R 3,836	R 4,373	R 3,453	R 3,936
80% Local Content	150 - 249 L	R 5,197	R 5,925	R 5,197	R 5,925	R 4,677	R 5,332
80% Local Content	250 - 300 L	R 8,737	R 9,960	R 8,737	R 9,960	R 7,863	R 8,964

In terms of the new rebate amounts, any values above the proposed values for the effective dates as per the above table will be required to be reduced to these new maximum values. Current rebate values lower than the new maximum value (in accordance with above table) will remain at their current level.

We will continue to provide you with weekly information concerning the availability of funding for the rebate programme and to draw your attention to the fact that the rebate programme will cease once the funds have been exhausted for the year.

Eskom reserves the right to amend programme rules from time to time as is deemed necessary.

Kind regards,



Andrew Etzinger
SENIOR GENERAL MANAGER (INTEGRATED DEMAND MANAGEMENT)