Governments’ Energy Response Plans in off-grid areas

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Electricity Access

Governing policy and pgms
1. NPC - 15th 5 year plan.
2. Energy Ministry white paper.
3. RE Subsidy policy.
4. Ujjyalo Nepal - Elec. to all by 2023 - Minigrid guideline.
5. ADB+WB - Grant and loan agreements.
6. NEA pgr and plan.

Minigrid-Hydro+solar
Stand alone-SHS
Electricity Access-ADB Master RE Plan study Report

Minigrid-Hydro+solar
Stand alone-SHS

Figure 6.3 – Households grid and gff-grid access evolution in Nepal
# Minigrid Initiatives in AEPC

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description</th>
<th>Subsidy policy</th>
<th>Himali Mini G Grids-GoN +KfW-DKTI Primarily solar upto 100kW-Hydro need to add</th>
<th>SASEC Minihydro -1MW and Solar Minigrid – 150kWp ADB and GoN</th>
<th>MGEAP Mini Grids -1 MW GoN+World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project development Financing</td>
<td>Community/Co-operative mix financing +PPP</td>
<td>In principle demand and owned by LG or its local representative-co-operative</td>
<td>Community/Co-operative mix financing</td>
<td>Private owner- Energy Service Company (ESCO) A B C-Model</td>
</tr>
<tr>
<td>2</td>
<td>Subsidy of GON</td>
<td>As discussed</td>
<td>Subsidy 90% Federal Government + 10 % PG+LG+Local people.</td>
<td>Solar Minigrid-Subsidy 90% +Equity +Loan Minihydro- Subsidy 60%+Equity+Loan</td>
<td>GoN Subsidy – Maximum up to 60 % + WB 10 % to 30 % + Equity min. 10 %</td>
</tr>
<tr>
<td>3</td>
<td>Ownership O&amp;M Management</td>
<td>Community/Co-operative</td>
<td>Local Government/Cooperative</td>
<td>Community/Co-operative</td>
<td>ESCO (Private Company)</td>
</tr>
</tbody>
</table>
Issues and way forward

1. Old MHP/Minigrid (2000 MHPs)
   - Hand over of old MHP/Minigrid to LG - to O&M and oversight
   - Maintenance fund – RE Conditional Grant and LG grant for O&M

2. New project – MMHP/Minigrids-to meet Ujjyal Nepal - 2023
   - Jointly agreed between AEPC and NEA – 200 minigrids
   - Financing mostly from Public funds-FG, PG and LG-
     Ownership under LG
   - Complete with in 2023

3. Grid connection of Minigrids (5 done a lot of demand)
   - IPP standard is very complicated for Minigrid
   - PPA rate – minimum posted – no reduction of subsidy.
   - Technical standard-very high standard and high cost