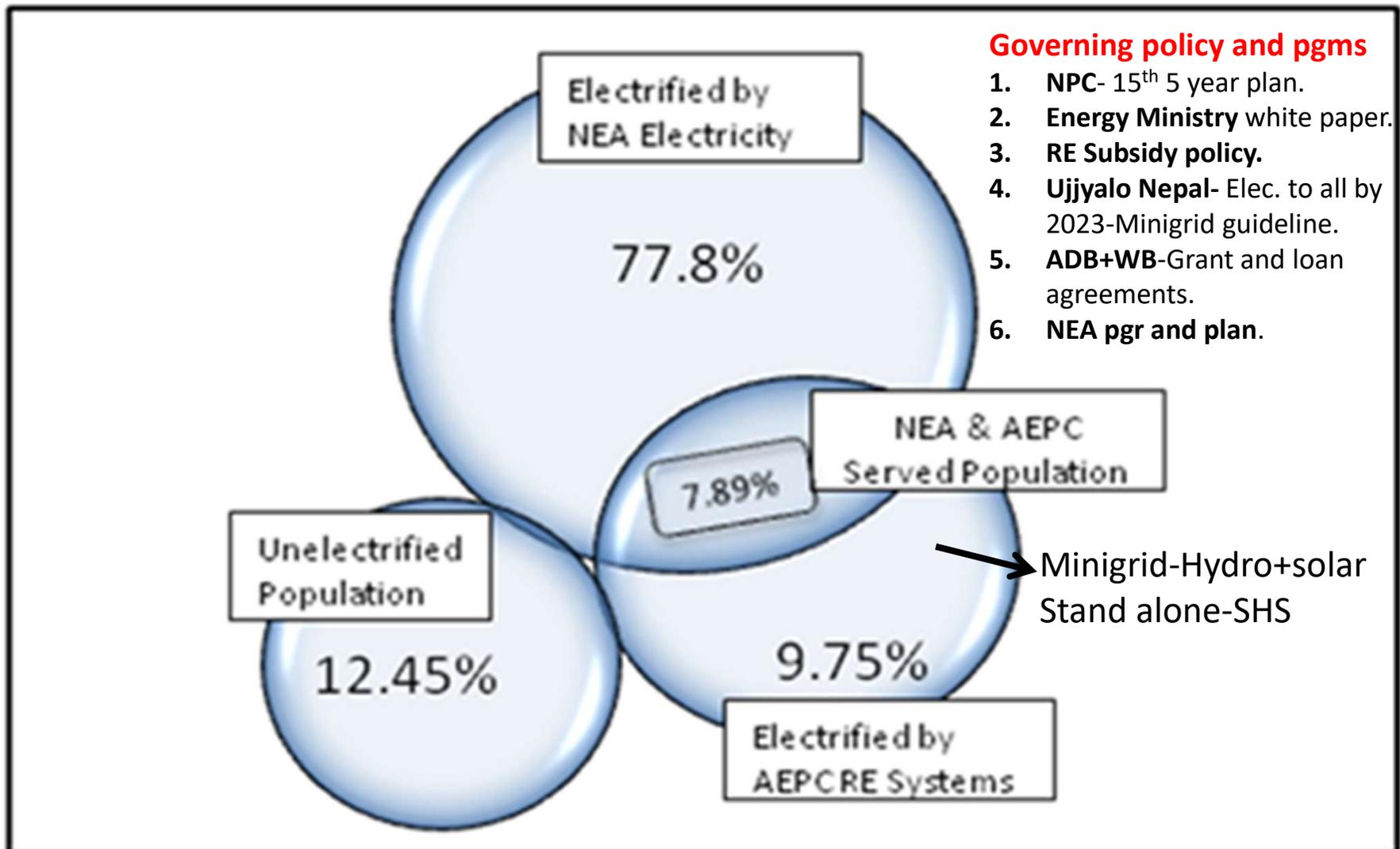


Governments' Energy Response Plans in off-grid areas

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Electricity Access



Electricity Access-ADB Master RE Plan study Report

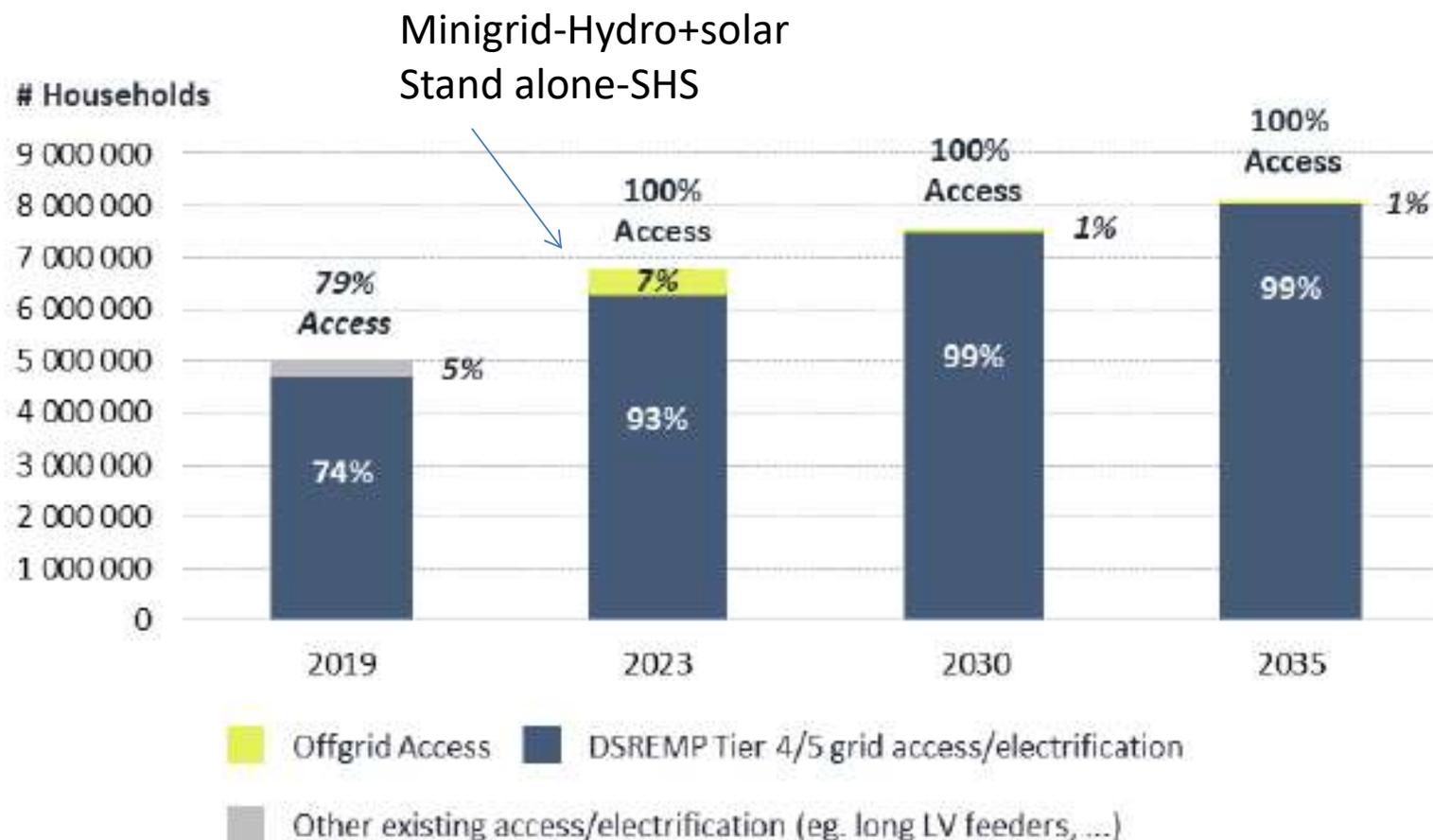


Figure 6.3 – Households grid and gff-grid access evolution in Nepal

Minigrid Initiatives in AEPC

S. No.	Description	Subsidy policy 2073 Hydro- 1MW Solar-100kW	Himali Mini G Grids- GoN +KfW-DKTI Primarily solar upto 100kW-Hydro need to add	SASEC Minihydro - 1MW and Solar Minigrid – 150kWp ADB and GoN	MGEAP Mini Grids -1 MW GoN+World Bank
1	Project development Financing	Community/Co-operative mix financing +PPP	In principle demand and owned by LG or its local representative-co-operative	Community/Co-operative mix financing	Private owner- Energy Service Company (ESCO) A B C-Model
2	Subsidy of GON	As discussed	Subsidy 90 % Federal Government + 10 % PG+LG+Local people.	Solar Minigrid- Subsidy 90% +Equity +Loan Minihydro- Subsidy 60%+Equity+Loan	GoN Subsidy – Maximum up to 60 % + WB 10 % to 30 % + Equity min. 10 %
3	Ownership O&M Management	Community/ Co-operative	Local Government/ /Cooperative	Community/ Co- operative	ESCO (Private Company)

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/Mingrids-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