



POLICIES ON MINI-GRIDS IN MALAWI

PRESENTED AT WORKING SESSION ON DEVELOPMENT OF
REGULATORY FRAMEWORK FOR MINI GRIDS

AT

SUNBIRD CAPITAL HOTEL , LILONGWE

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Ministry of Natural Resources, Energy and Mining

INTRODUCTION

- ❑ Despite a lot of benefits and potential for mini-grids in the country, there are currently very few fully-operational mini-grids.
- ❑ There are a number of major hurdles for mini-grid implementation and operation at present:
 - Policy challenges,
 - Regulations challenges,
 - Financing challenges,
 - Lack of technical expertise to develop, operate and maintain the systems.

GOVERNMENT'S COMMITMENT ON MINIGRIDS DEVELOPMENT IN MALAWI

- ❑ GoM is committed to working with partners to overcome these hurdles and catalyse the mini-grid sector to promote rural development and rural livelihoods.
- ❑ GoM has developed Renewable Energy Strategy and SE4All-Action Agenda to guide development /investments in renewable energy sub-sector.
- ❑ GoM is hopeful that Malawi could have at least 50 operational clean energy mini-grids by 2025.

RECENT POLICIES, ACTS AND STRATEGY FAVOURABLE TO MINGRIDS DEVELOPMENT IN MALAWI.

- ❑ Draft Energy Policy 2018.
- ❑ Electricity Amendment Act 2016.
- ❑ Sustainable Energy for All (SE4All) Action Agenda 2017-Draft.
- ❑ Malawi Renewable Energy Strategy 2017.
- ❑ Independent Power Producers (IPP) Framework 2017.
- ❑ Integrated Resource Plan 2017.

POLICY STATEMENTS ON RENEWABLE ENERGY

1. GoM shall strengthen the exploitation of renewable energy resources.
2. GoM shall promote use of renewable energy technologies and manufacture of renewable energy products such as solar panels.
3. GoM shall support small-scale renewable energy initiatives by communities or entrepreneurs.

POLICY STATEMENTS ON RENEWABLE ENERGY

4. GoM shall promote capacity building in all areas of RET programming, supply and services, as well as in entrepreneurship and management, taking into account gender and social issues.

5. GoM shall build strong partnerships with the private sector and CSOs (including PPPs) to promote the manufacture, distribution, use and financing of improved renewable energy technologies.

STRATEGIES RELATED TO MINI-GRIDS

- ❑ GoM will develop a Renewable Energy Strategy.
- ❑ GoM will establish fiscal incentives for RE using existing funds such as Rural Electrification Fund.
- ❑ GoM will develop appropriate regulations for specific small-scale technologies under Renewable Energy Act.
- ❑ GoM will review the feed-in tariffs to ensure that all technologies including mini-grids are sustainably accommodated.

STRATEGIES RELATED TO MINI-GRIDS cont...

- ❑ Involve communities in community energy planning and implementation.
- ❑ Equip all stand-alone renewable energy-powered mini-grids and privately owned installations with net metering to ensure their continued use upon connection to the grid.
- ❑ Promote competitive bidding for mini-grid concessions in order to achieve the best value for money.

STIPULATES OF RENEWABLE ENERGY STRATEGY

□ Policy & Regulation

- Licensing requirements of mini-grids should not be the same as that of other large-scale grid-connection schemes.
- There is need for streamlined regulations that are proportionate to the scale of mini-grid developments.

□ Tariffs, Cost Recovery and Flexibility

- GoM to work with MERA to ensure that mini-grid developers have the flexibility to set tariffs which allow for cost recovery in order to make mini-grids financially viable.

STIPULATES OF RENEWABLE ENERGY STRATEGY

☐ Quality Standards

- GoM will explore the possibility of specific mini-grid quality standards which would provide appropriate guidance for developers, regulators and customers.

☐ Fiscal Incentives

- GoM to explore the potential for fiscal incentives for off-grid and decentralized schemes such as use of the Rural Electrification Fund.

☐ Business and Industrial Use

- Technical capabilities should be developed to allow the national grid to easily integrate mini-grids and excess power generated by businesses.

PAST MINI GRID PROJECTS

- ❑ 6 solar/wind hybrid systems in Nkhata Bay, Mzimba, Nkhotakota, Ntcheu, Chiradzulu and Thyolo

ON GOING MINI GRID PROJECTS

- ☐ **Increasing Access to Clean and Affordable Decentralised Energy Services in Selected Vulnerable Areas of Malawi (by GoM).**
- ☐ **Bondo micro-hydro project.**
- ☐ **Sustainable Energy for Rural Communities (SE4RC).**

Thanks for your listening!!!!!!