Energy Access Situation and AEPC’s Intervention in Nepal

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ENERGY ACCESS SITUATION IN NEPAL

- 85% population live in rural areas (total 26.6 million) and agriculture main occupation
- 69% population have access to electricity including 14% from RETs
- About 66% of energy supplied is used for cooking
- Rich in water resources
- No proven reserves of fossil fuel
- Major portion of foreign earning goes for petroleum import
- Grid Expansion is technically and financially costly in rural areas
- Nepal has good potential of RE resources
AEPC: AN INTRODUCTION

• Established on November 3, 1996
• Currently under the Ministry of Science, Technology and Environment
• Semi autonomous status; Board represented by public, private & financial sector
• Mandate: policy/plan formulation, resource mobilization, technical support, M & E, quality assurance and coordination
• Currently implementing a national rural and renewable energy program (2012-2017) supported by EDPs
AEPC APPROACH FOR PROGRAM IMPLEMENTATION

Demand side

Public sector

- Awareness & capacity building
- Technical & financial assistance
- Planning, coordination & networking
- Quality assurance, monitoring & evaluation

Supply side

Private sector

- Manufacturing & supply
- Sales & installation
- After sales services, repair & maintenance
- Int. Quality control & monitoring

Public Private Partnership

Subsidy Standards/
Guidelines

Qualification/
Grading/
Evaluation

Users/ Beneficiary
AEPC’S KEY OUTCOMES

• About 14% of population have electricity from RETs
• Additional 500 jobs each year (total 30,000 jobs)
• More than 25% reduction in fuel wood consumption by more than 600,000 households through ICSs
• More than 270,000 HHs replacing fuel-wood by biogas
• More than 350 Small and Medium Scale Enterprises in RETs sector
• Some Biogas and Micro Hydro Projects are registered in CDM EB
KEY TO SUCCESS AND SOME LESSONS

Favorable Policy Environment
• Rural Energy Policy 2006
• Inclusive Subsidy Policy 2013 and Delivery Mechanism 2013

Strong Quality Assurance System
• Guidelines and Standards in place
• Pre qualification of private sectors including Consultants:
• Renewable energy test station for testing and verify the quality standard
• Third party monitoring and verification
• Penalty system for non-compliance up to the disqualification of the companies

Appropriate Institutional Mechanism
• Centre- AEPC, Qualified Companies and Associations
• District- District energy offices, RSCs and Branch offices of companies
• Community- CBOs, Cooperatives and functional groups
HOW HAVE WE MADE ACHIEVEMENTS IN RE SECTOR IN NEPAL

Pilot
In few places
Lessons learned (1996-2003, 5 districts)

Expansion
Based on lessons learned expansion in 2003-2007
25 districts

Mainstreaming
Policy formulation, government commitment (2006 RE policy)

Replication
In other districts and region and neighboring countries

Upscaling
Thank You for Your Kind Attention!

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