

Africa-EU Renewable Energy Cooperation Programme

Creating opportunities for renewable energy



Fact File

SUPPORTIVE FRAMEWORK CONDITIONS FOR MINI-GRIDS EMPLOYING RENEWABLE AND HYBRID GENERATION SADC REGION

Background

The SADC region of Africa faces major challenges in improving access to modern energy services. Overall household access to electricity in SADC remains persistently low, apart from South Africa — as low as 14% in some member states. More critically, the electrification rate for rural households is as low as 3-4% in several countries, and only three countries have rural connection rates higher than 50%.

Many rural communities will remain unconnected to the national electricity grid for the foreseeable future. To meet the access targets set by the SADC Ministers of Energy, there is a need to accelerate the development of mini-grids to serve these remote centres. There is also a significant opportunity to further the SADC goal of increasing the role of renewable energy in electricity generation through orienting the mini-grids to renewable energy as a sole source or as a complement to thermal generation.

Objectives

The immediate objective of the project has been to provide the policy and regulatory tools for creating supportive framework conditions to foster the development of mini-grids in the SADC Region. The expected project outcome is to stimulate increased access to modern energy and distributed renewable generation capacity.

Activities

The main activities of the project were:

- » assessment of the current status of policy and regulation regarding mini-grids
- » provision of a framework to attract investment into mini-grids in the SADC region
- » country studies (in Zimbabwe and Namibia) – for both countries identifying gaps in the mini-grid framework and drafting of a National Action Plan, in close consultation with national stakeholders
- » training in the use of the quantitative (tariff) tools developed during the project.



PROJECT OVERVIEW

Region	Southern Africa
Project partner	Regional Electricity Regulators Association of Southern Africa (RERA)
Term	January 2013 – April 2014

Results

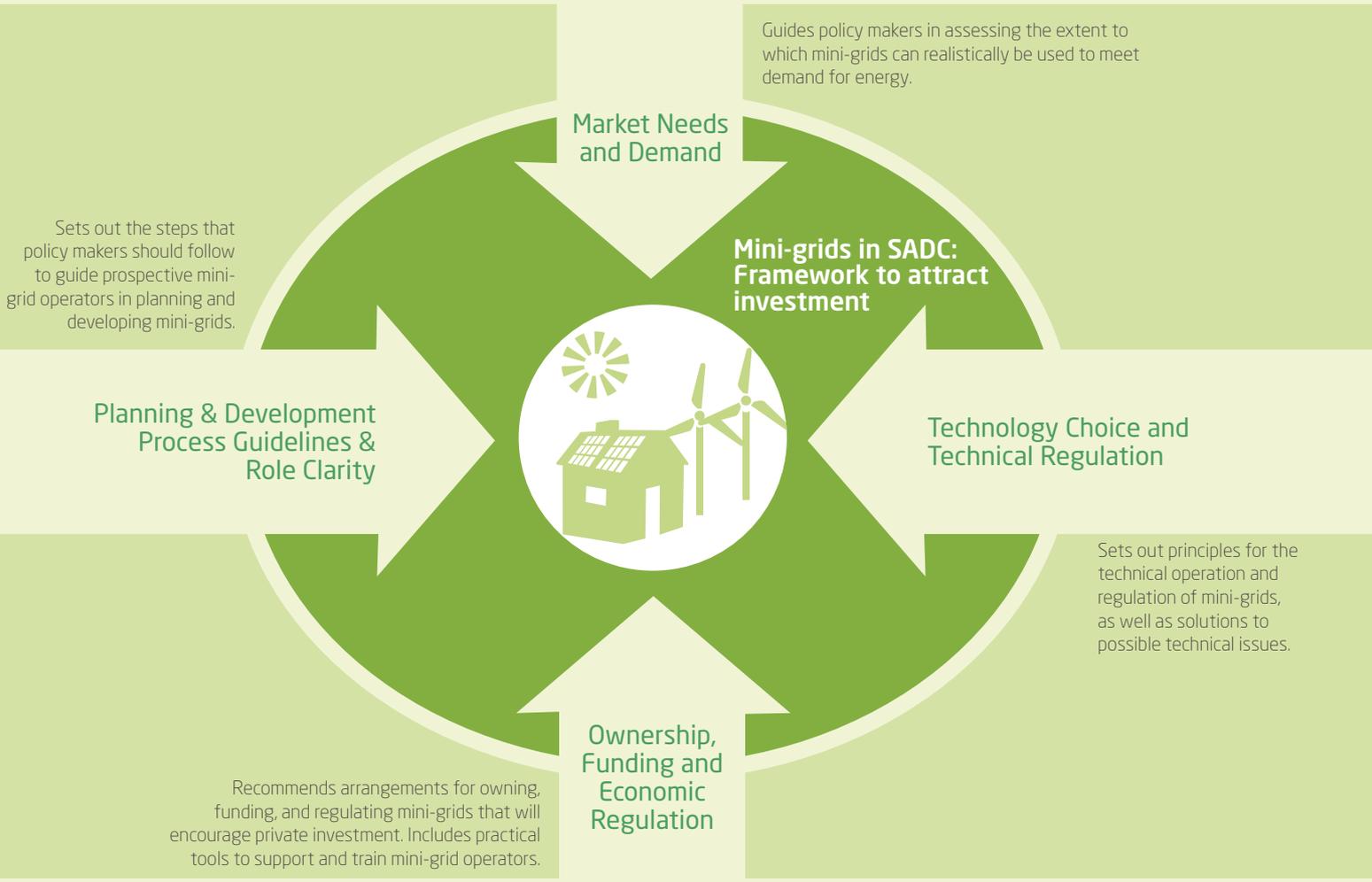
The project produced outputs which are categorized as follows:

- » reports – Including information on existing mini-grids and regulatory frameworks and a final report providing an overview of the support framework developed (*see diagram on the next page*)
- » guidelines on the four main dimensions of the mini-grids support framework:
 - > market needs and demand
 - > technology choice & technical regulation
 - > ownership, financing & economic regulation
 - > planning & development process and role clarity
- » legal templates – Generation Licence, Distribution Licence and Power Purchase Agreement templates
- » tariff models – Retail Tariff Tool, Power Purchase Tool & Feed In Tariff Tool and
- » country case studies on Zimbabwe and Namibia including Gap Analysis and Action Plans.

The way forward

The next steps are:

- » for the remaining countries, to carry out analyses of gaps in their mini-grid support frameworks and to formulate National Action Plans to address those gaps, and
- » for all the countries, to implement the National Action Plans and thereby bring their mini-grid support into line with the comprehensive framework developed during the course of the project.



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