10Qs to Ask About Scaling On-Grid RE

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Frameworks for Designing Good Electricity Policy

10 Questions to Ask Series

10Qs About Scaling On-Grid RE

10Qs About Electricity Tariffs

10Qs About Integrated Resource Planning

Watch This Space!
Why is there a need for the 10Qs?

- Unconnected Consumers & Unreliable electricity
- Limited transparency, accountability and stakeholder participation
- Barriers that prevent expansion of RE and integration into electricity plans
- BAU top-down approach to grid expansion and high-carbon options

Trilemma
- Energy Security, climate mitigation, energy poverty
The 10Qs Framework

- Aims to create an enabling environment for scaling on-grid RE through capacity building and enhancing engagement
- Not 10 Questions to Answer!
- Identifies key ingredients; not prescriptive
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Q4. HOW IS THE RE PLAN DESIGNED TO ACHIEVE THE STATED OBJECTIVES?

Objectives are supported by policies and targets that incorporate "pull" and "push" policies, and link with other sector policies. Suitable policies vary according to the objectives. For example, to increase installed RE capacities, policymakers can design "push-pull" policies (policies that increase demand for RE) by reducing market barriers, such as feed-in tariffs or other incentives. If the objective is to increase job creation, policymakers can design "supply-push" policies (policies that increase incentives for firms to generate new knowledge and, therefore, new RE technologies or improve existing ones), such as investing in research and development (R&D). Of course, these objectives and policies can be intertwined. Supply-push and demand-pull policies are often used in conjunction with each other and other policies that encourage innovation and training to achieve a country's objectives. Some policies can present unintended trade-offs. Policies are most effective when clearly designed to achieve stated objectives and manage potential trade-offs.

Plans should incorporate SMART targets: targets that are specific, measurable, achievable, realistic, and time-bound. For example, to increase deployment of renewable energy, a plan should include quantitative electricity generation goals (i.e., megawatts) for each year. The target should be backed up with technical and economic assessments of a particular technology within a specific geography, region (if relevant). SMART targets linked to reliable data are credible. Unrealistic targets can reduce credibility. In Indonesia, for example, regularly changing RE targets based on unreliable data has caused uncertainty in the RE policy framework. RE targets were initially set in 2006 at 25 percent by 2025; then revised in 2008 to 20 percent by 2025, and revised again in 2012 to 15 percent by 2020.

Q4. Analysis Highlights - RE Plan Design

- LOOK FOR:
  - Appropriate policies for achieving objectives
  - Identified pull policies
  - Identified push policies
  - SMART and flexible targets
  - Coordination with relevant industries and sectors

Additional Resources

- Delivering on the Clean Energy Economy: The Role of Policy in Developing Successful Domestic Solar and Wind Industries
- Grounding Green Power: Bottom-Up Perspectives on Smart Renewable Energy Policy in Developing Countries
- Meeting Renewable Energy Targets: Global Lessons from the Road to Implementation
- The Electricity Governance Initiative Technical Benchmarking Best Practice and Promoting Accountability in the Electricity Sector

World Resources Institute
Q4. How is the RE Plan Designed to achieve stated objectives?

Analysis Highlights- Look for:

• Appropriate policies for achieving objectives
  • Identified pull policies
  • Identified push policies
• SMART and flexible targets
• Coordination with relevant industries
How can the 10Qs be used?

To enhance stakeholder engagement:

• Intra-agency, regulators
  – To assess / evaluate existing RE plans
  – To use as a basis for strengthening existing plans
  – To inform and develop new RE plans

• With stakeholders, including investors, SMEs and CSOs
  – To build / strengthen capacity on RE planning
  – To engage with / evaluate existing plans
  – To input in development of new plans
Special attention to public interests

Grid-scale RE affects several public interest issues

- National objectives (energy security, access, climate change)
- Public expenditure
- Tariff/affordability
- Technical performance/quality of service
- Social and environmental impacts
- RE investors and developers
Thank you!

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