

Group 3: Renewable Energy Policy Instruments

Key Issues and Solutions (1)

- Feed-in tariff may not work in developing countries: At the beginning, incremental costs are small. Consumers may be willing to pay for energy security.
- Fossil fuel lobby and a lack of political will for RE: Public awareness. Level playing field between conventional energy and RE
- How to incorporate RE/EE in power sector reform: Sector reform should consider RE/EE.
- A lack RE resource assessment information/mapping: SWERA and other tools. Do not wait for 100% information and get private participation.
- What are the options of financial incentive mechanisms: Accelerated depreciation, production-based tax incentives (e.g. reduction of VAT), fossil fuel tax.
- What are the RE policy instruments to expand energy services under the context of poverty with more expensive RE. Of grid nich markets, coal, etc.

Key Issues and Solutions (2)

- Build local manufacturing: Create a market and demand first, and supply will come
- RE definition: Each country can define what constitutes RE.
- Low tariff/subsidies: Feed-in tariff for RE. Guaranteed access to grid. Pro-poor subsidies as transition to cost-reflective tariff
- Institutional competition barriers. Form systemic approach in a more integrated manner (many institution)
- RE costs are high: Incorporating portfolio diversification and external costs
- Inter-connection and grid stability. No solutions presented.

Follow-Up Actions

- Armenia: need financial support to RE resource assessment
- Nigeria: need capacity building for developing RE policy: govt., FIs
- Nicaragua: How to make it work in a ppor country. The event is great but ?
- Global Enviroment Facility pays for the incremental costs for RE projects in developing countries
- Exchange of experience and information helpful
- Brasil after the crisis 2001 two programs were created by Law: Energy efficiency and Renewable Energy. Before capacity building on training.
- National government adopt long term strategic planning (15 years)
- Give more time for breakout sessions.