



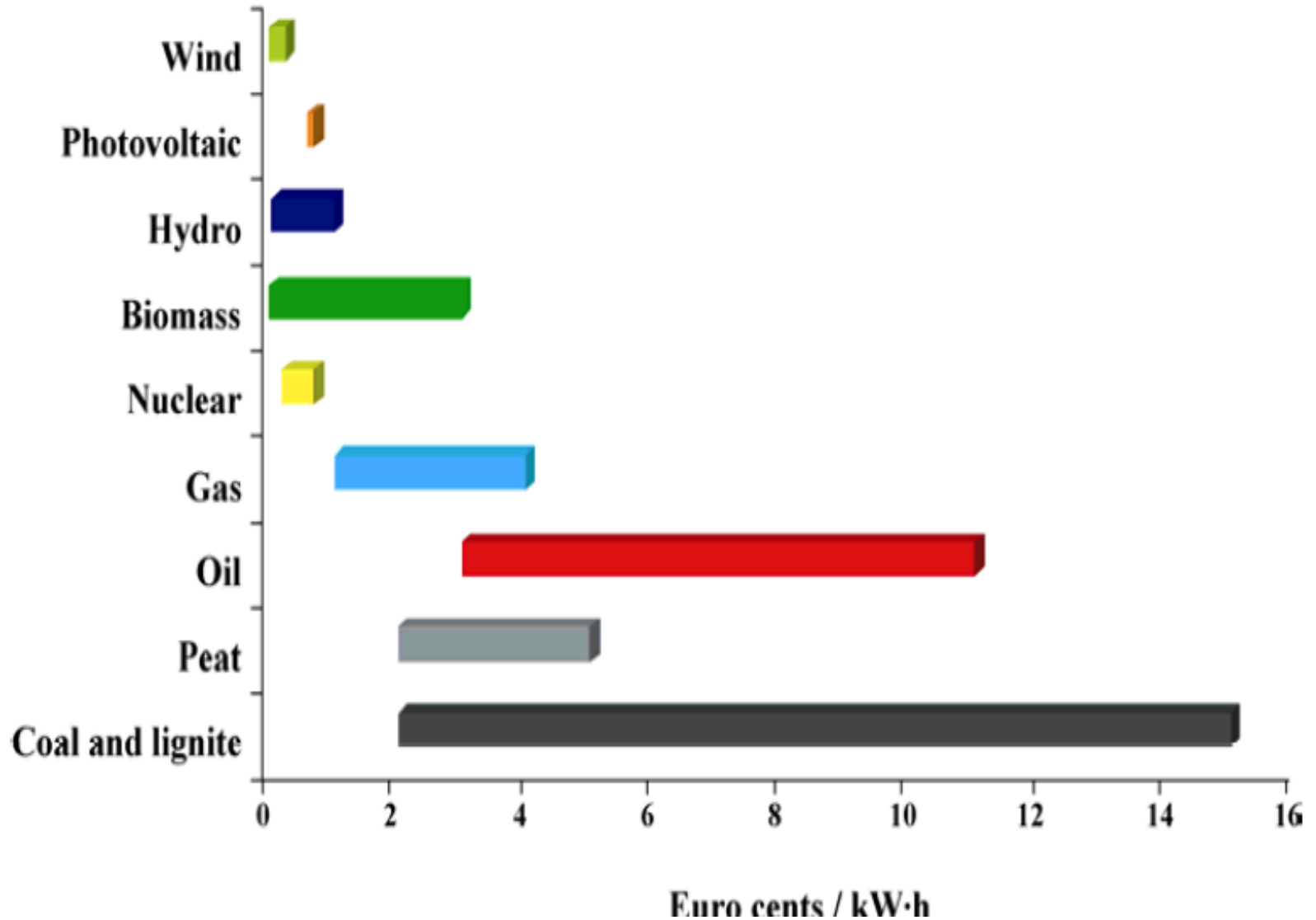
RENEWABLE ENERGY REGULATORY FRAMEWORK IN GHANA

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INTRODUCTION

- Ghana's energy demand is expected to grow as the country's population grows and seeks to attain high economic growth in the coming years
- Renewable energy sources have been identified as being capable of playing a significant role in the national energy mix
- In order to effectively integrate Renewable Energy into the national energy mix and promote private sector investment in renewable energy a renewable energy law was promulgated in December 2011

ADVANTAGE OF RENEWABLES - LOW EXTERNALITY COST (Source EC Extern E project)



OBJECTIVE OF RENEWABLE ENERGY LAW

The main objective of the Renewable Act is to provide for the development, management and utilisation of renewable energy sources for the production of heat and power in efficient and environmentally sustainable manner.

In connection with this the law provides among other things:

- a) Framework to support the development and utilisation of renewable energy sources
- b) An enabling environment to attract investment in renewable energy sources
- c) Building indigenous capacity in technology for renewable energy sources
- d) Regulation of the production and supply of woodfuel and biofuel

DEFINITION OF RENEWABLE ENERGY IN THE ACT

- The law defines renewable energy as energy obtained from non depleting sources and it includes
 - Wind
 - Solar
 - Bioenergy
 - Geothermal
 - Ocean energy
 - Hydro power (Capacity not exceeding 100 MW)

INSTITUTIONAL RESPONSIBILITIES

- The law assigns specific responsibilities to the various stake-holder institutions in a clear and distinct manner.
- There is no conflict in responsibilities among institutions. E.g.
- Energy Commission (EC)
 - Regulation of the power generation as well as developing regulations for utilisation of power generation systems
- Public Utilities Regulation Commission (PURC)
 - Approves rates chargeable for the purchase renewable energy electricity
- Forestry Commission
 - Regulation of biomass plantation
- National Petroleum Authority
 - Deals with the pricing of bio-fuel and bio-fuel blends
- Environmental Protection
 - Deals with matters

STAKE HOLDER OBLIGATIONS

- Electricity distribution utilities and bulk consumers are obliged to procure certain percentage of its total purchase from renewable energy sources
- The percentage is to be set up by the (PURC) in consultation with the Energy Commission
- A guide line of feed in tariff rate is to be prepared by PURC and be made available to the electricity generation utilities
- Operators of transmission or distribution systems are to upgrade their systems at a reasonable cost and the cost is to be by the generator from renewable energy sources

RENEWABLE ENERGY FUND

- A provision is made for the establishment of a renewable energy fund for the promotion, development, sustainable management and utilisation of renewable energy sources
- In order to achieve the above objective, the fund shall be used for providing
 - financial incentives
 - Subsidies
 - Scientific, technological and innovative research etc.
- Sources of money from the fund are:
 - Moneys approved by Parliament
 - donations, gifts, grants received for renewable energy activities
 - Moneys from the Energy fund, etc.
- In addition to the renewable energy fund, Ghana's investment code provides incentives for installation and utilisation of renewable energy systems

RENEWABLE ENERGY AUTHORITY

- The law calls for the establishment of a Renewable Energy Authority to:
 - oversee the implementation of renewable energy activities in the country
 - Execute renewable energy projects initiated by the State or which the State has interest
 - Manage the assets in the renewable energy sector on behalf of the state
- Until the time the Authority is established, the Renewable Energy Directorate under the Ministry of Energy is to perform the above functions.

CONCLUSION

- To streamline the utilisation of renewable sources as well as demonstrating its commitment to renewable energy utilisation, Ghana has passed the renewable energy law.
- A call is being made to all interested parties particularly international organisations to support Ghana in this move.

THANK YOU