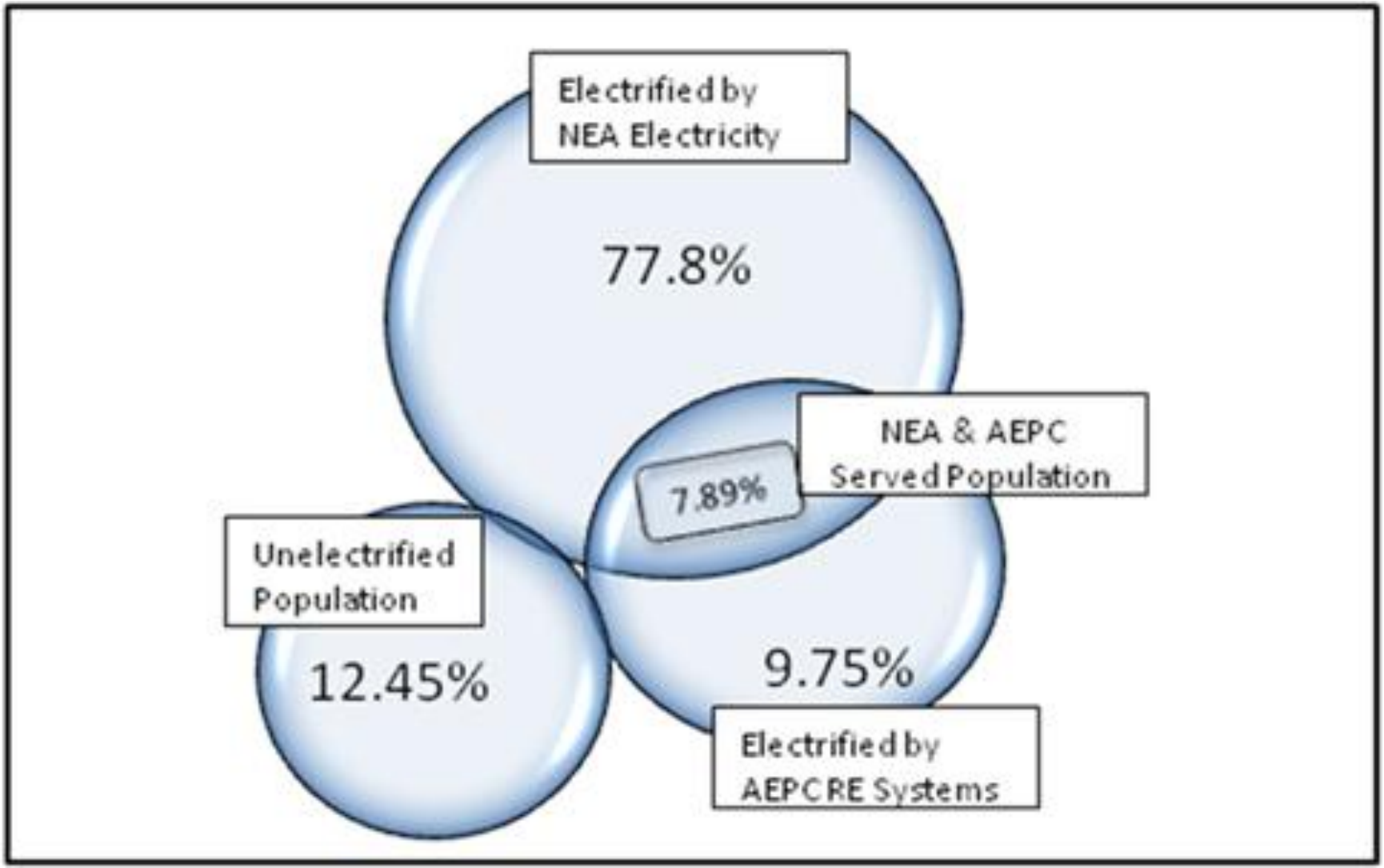
Comparison of subsidy MHP Vs SMG

Presentations by
Mr. Madhusudhan Adhikari
Executive Director,
Alternative Energy Promotion Centre

Electricity Access-Last year



Electricity Access-Gesto Report

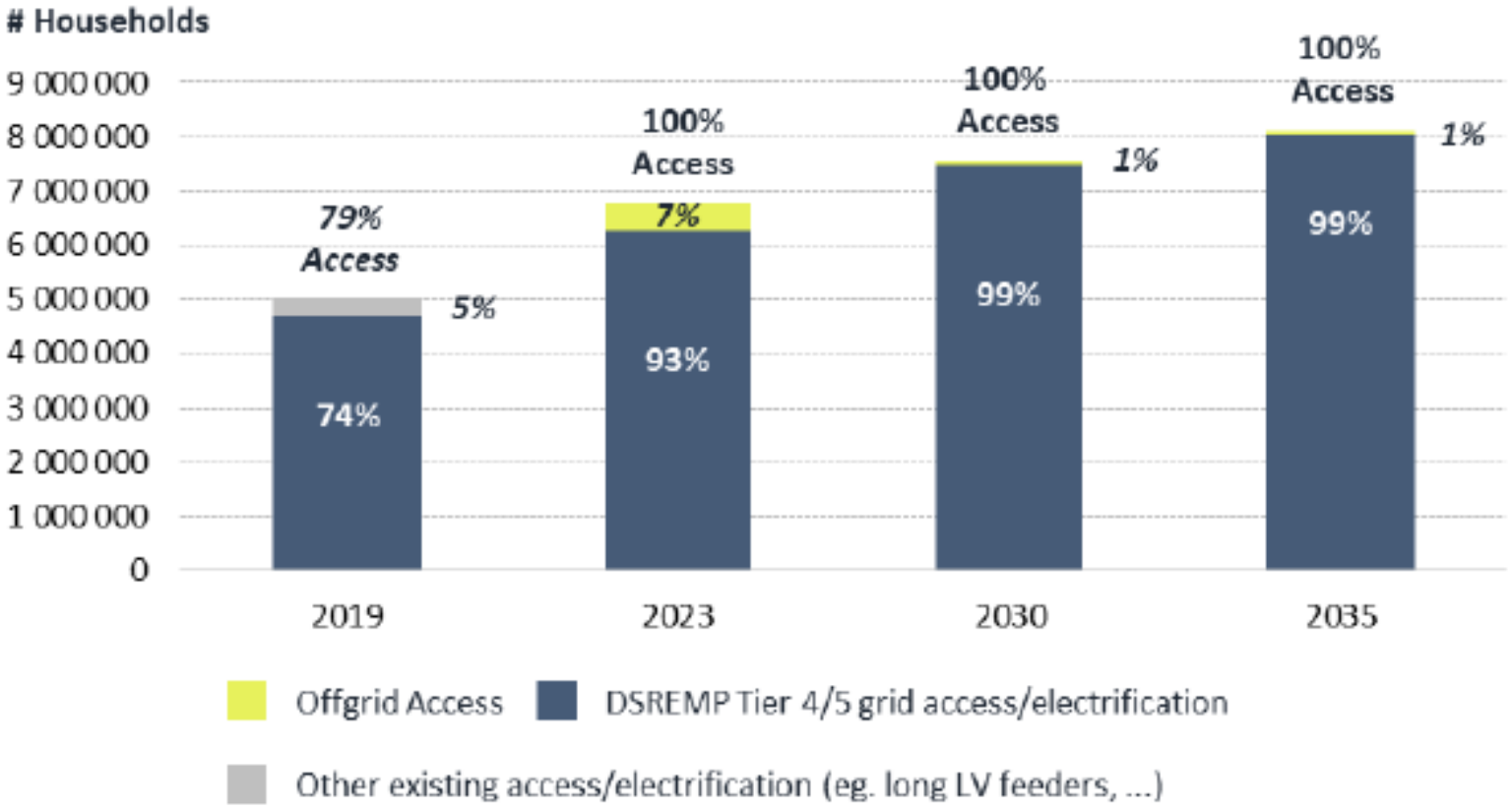


Figure 6.3 – Households grid and gff-grid access evolution in Nepal

Electricity Access-Gesto Report

By the end of 2023, there are a total of 63 municipal capitals not planned to have grid access of which 7 will be supplied with a permanent off-grid system, while the remaining 56 are intended to be transitional off-grid systems, as these locations are not connected to the national distribution network.

Table 6.2 – Off-grid Municipal Capitals

	Transitional Muninicpal Capitals	Permanent Municipal Capitals
Province 1	16	0
Province 2	0	0
Province 3	5	0
Province 4	6	2
Province 5	8	0
Province 6	11	5
Province 7	10	0
Nepal	*56*	*7*

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Table 6.3 – Off-grid systems distribution per Province

	Solar Mini-grid Systems	Solar Home Systems	Hydro Mini-grid Systems
Prov. 1	561 (4 523)	2 180 (12 362)	30 (863)
Prov. 2	117 (1 098)	0	0
Prov. 3	205 (1 446)	1 996 (15 831)	86 (2 646)
Prov. 4	1 140 (9 511)	92 (454)	25 (1 025)
Prov. 5	1 675 (11 249)	56 (56)	23 (614)
Prov. 6	1 993 (16 810)	5 (5)	24 (727)
Prov. 7	2 041 (16 948)	39 (39)	57 (1 437)

Subsidy MHP Vs SMG

Category	Subsidy MHP up to 1000kW				Subsidy SMG -100kW			
	Per kW	Per HH	Nos HHs/kW	Total subsidy /kW	Per kW	Per HH	Nos HHs/kW	Total subsidy /kW
Very remote	205,000	35,000	5	380,000				
A	125,000	32,000	5	285,000	175,000	32,000	10	495,000
B	110,000	30,000	5	260,000	165,000	30,000	10	465,000
C	100,000	28,000	5	240,000	150,000	28,000	10	430,000
Average	135,000	31,250	5	291,250	163,333	30,000	10	463,333

Minigrid Initiatives in AEPC

S. No.	Description	Subsidy policy 2073 Hydro- 1MW Solar-100kW	Himali Mini G Grids- GoN +KfW-DKTI Primarily solar upto 100kW-Hydro need to add	SASEC Minihydro - 1MW and Solar Minigrid – 150kWp ADB and GoN	MGEAP Mini Grids GoN+World Bank
1	Project development Financing	Community/Co-operative mix financing +PPP	In principle demand and owned by LG or its local representative-co-operative	Community/Co-operative mix financing	Private owner-Energy Service Company (ESCO) A B C-Model
2	Subsidy of GON	As discussed	Subsidy 90 % Federal Government + 10 % PG+LG+Local people.	Solar Minigrid- Subsidy 90% +Equity +Loan Minihydro- Subsidy 60%+Equity+Loan	GoN Subsidy – Maximum up to 60 % + WB 10 % to 30 % + Equity min. 10 %
3	Ownership O&M Management	Community/ Co-operative	Local Government/ /Cooperative	Community/ Co-operative	ESCO (Private Company)

Issues and way forward

1.Old MHP/Minigrid

- Hand over of old MHP/Minigrid to LG- to O&M and oversight
- Maintenance fund – RE Conditional Grant and LG grant for O&M

2. New project – MMHP/Mingrids-to meet Ujjyal Nepal - 2023

- Jointly agreed between AEPC and NEA.
- Financing mostly from Public funds-FG, PG and LG-Ownership under LG
- Complete with in 2023

3. Sick Project-around 200 nos.

- Sick Projects -settle project to project basis-50-most difficult.
- Need to write off a few and complete rest-150- Karnali PG moved on.

4. Grid connection of MHPs and Minigrids

- PPA procedure-IPP standard is very complicated for Minigrid
- PPA rate – minimum posted – no reduction of subsidy.
- Technical standard-very high standard and high cost

Thank you.