



Public Utilities  
Regulatory Authority  
*Equity in development*

# INTRODUCING A NEW REGULATORY FRAMEWORK FOR RENEWABLE ENERGY

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# Presentation

- Overview of PURA's regulatory mandate
- Key regulatory challenges identified in 2013 NARUC/PURA forum
- RE Act 2013 – Overview & defined Stakeholder responsibilities
- RE Act 2013 – Progress made so far in its implementation

# PURA's Regulatory Mandate

- Multi Sector Regulatory Authority – PURA Act 2001
- To Regulate Broadcasting, Telecoms, Electricity, Transport and Water & Sewerage Sectors
- PURA Capacity constraints – currently only regulate Water & Sewerage, ICT and Electricity

# PURA Regulatory Mandate Contd.

- Sector Specific Laws –
  - Information and Communications Act 2009,
  - Electricity Act 2005
- Licensing Obligation
- Ensure fair competition
- Monitor and enforce QOS
- Protect the Interest of consumers

# Electricity Act 2005 - Overview and Licensing considerations

- Objective: to promote the generation, transmission, supply, dispatch and distribution of electricity in The Gambia
- Licensing considerations: financial strength of applicant, credit rating and experience
- Recommendation sent to MoE for approval or disapproval of application

# Key Identified Regulatory Challenges – 2013 Forum

- Delay in the enactment of RE Law:
- Lack of proper consultation between stakeholders in regards to permitting the operation of RE developers
- Lack of a streamlined licensing process for Renewable Energy
- Access to Finance

# Overview of RE Act 2013

- Enacted in December 2013
- Objective: to promote the use of RE resources to achieve greater energy self reliance and thus reduce:
  - Exposure to fossil fuels
  - Harmful emissions
  - Demand burden currently on NAWEC

# Key Provisions in RE Act 2013

- Establishment of RE Fund
- General Incentives for RE Facilities
- Requirement to streamline the permitting process
- Requirement of adequate training for installers of RE Equipment
- Requirement to develop Feed In Tariff Rules (FIT)



# Establishment of RE Fund

- A requirement under the Act – for promotion, development, sustainable management and utilisation of RE Resources
- Key emphasis on community based projects

# Sources of Money for Fund

- Funds appropriated by Natl. Assembly
- Application Fees collected from RE Applicants
- Donations, grants and gifts for RE Activities
- Moneys generated by PURA for service provision to RE activities
- Moneys from other sources as approved by MOFEA

# RE Facilities -General Incentives

- Exemption from paying import tax and duty
- Corporate tax exemption – 15 yrs from commissioning
- Exempted from VAT and retail tax – 15 years from commissioning
- Proceeds from sale of carbon emission credits exempt from sales taxes

# Streamlining the Permitting Process

- MoE to coordinate with other authorities in developing streamlined permitting process eg:
  - ☐ Environmental Impact Assessment (EIA)
  - ☐ Land use
  - ☐ Water use
  - ☐ Construction permits

# Training of Installers

- Installers must be appropriately trained to install RE Equipment with certification
- Installers must provide guarantees to client for proper installation
- Guaranteed Period – min. 6 months or any such period as determined by PURA

# Requirement to develop F.I.T Rules

- Requirement for PURA to formulate Feed in Tariff Rules within 6 months of enactment of the RE Act
- Rules intended to define eligibility to the FiT tariff amongst other things

# Feed in Tariff Rules Contd:

- FIT will be set in D/kWh of delivered electricity.
- Feed In Tariffs calculated in accordance with a methodology set out by the Authority and approved by the Minister of Energy.
- Generator and NAWEC shall enter into a Standard PPA.
- Generator invoices NAWEC according to the timescales set out in the PPA based on the metered generation.
- Annual Authority Announcement each year, including the adjusted FIT

# Stakeholder Roles under RE Law

- Key Stakeholders are accorded responsibilities under the Act to ensure its successful implementation:
  - PURA
  - MoE
  - Responsible Utility Network (NAWEC)
  - Developers of systems using Renewable Energy Resources



# Role of PURA :

- Implement the regulatory framework to support renewable energy
- Within the legal framework, define the rules for pricing renewable electricity
- Calculate FIT each year, including announcing the indexed level of existing PPAs.
- Ensure NAWEC implement the rules in practice
- Check that claiming generators are really renewable
- Monitor progress to ensure:
  - costs to consumers are within acceptable levels and
  - investment framework is sufficiently stable and attractive
- Recommend the issuance of generation licences to MoE.
- Dispute resolution between NAWEC and generators.
- Management of the RE Fund

# Role of MoE:

- Recommends middle and long term targets for the use of Renewables – Policy arm of the sector
- Determine together with MoFEA the equipment that is eligible for tax exemption under general incentive.
  - To be published
- Carry out an impact assessment in the use of Biomass for electricity production and other energy purposes such as heating, cooling and transport fuel
- Encourage the development of technical and standard requirements for certifying installers of RE Systems.
- Establish and maintain a registry to monitor RE Facilities.
- Work with the relevant authorities for coordinating the permitting process for facilities using RE resources

# Role of NAWEC:

- Determine safety and technical feasibility of grid to connect renewables.
- From time to time, determine in conjunction with PURA the maximum national capacity limit of electricity production that is eligible under the FIT rules.
- To effect payment to renewable generators for electricity delivered to the grid based on the FIT.

# Role of RE Developers:

- Register facilities with MoE for inclusion in their registry
- Inform NAWEC of location and installed capacity of Renewable System and the quantity expected to be fed in grid
- Comply with eligibility requirements / criteria

# Implementation of Act:

- In April 2014 ,PURA initiated a meeting with MoE for proper implementation of the Act. The following key topic areas were discussed:
  - i. Finalisation of a Feed In Tariff for Renewables
  - ii. Setting up of RE Fund and access to Fund
  - iii. Rapid need for the development of Streamlined permitting process for Renewables
  - iv. Issues pertaining to the training requirement for installers of RE Systems in a bid to protect consumers from bad installations & poor quality equipment.
  - v. Publication of tax exempt RE equipment by MoE

# Implementation : Progress made so far

- **Power Purchase Agreement(PPA) and FIT Rules:**
  - Standard PPA (15 year term) development and endorsed all Stakeholders
  - FiT Rules developed
- **F.I.T:** PURA has worked with different costing options and has recently forwarded preliminary results to MoE / NAWEC /GIEPA
- **Streamlined Permitting:** Consultative meeting between PURA, NAWEC,GIEPA, NEA resulted in the development of streamlined processes and timelines for processing RE applications
- **RE Fund:** PURA as manager is near completion in setting up designated RE Fund account.  
MoE's recent request to MOFEA to credit initial amount of D1Million to kick start fund.

STEP

DESCRIPTION

DURATION

1

GIEPA Receives unsolicited bid from prospective investor  
1.1 Contacts NAWEC  
1.2 NAWEC reviews proposal and advises GIEPA (2 Wks)  
1.3 GIEPA appraises proposal and considers for SIC  
1.4 GIEPA facilitates to local Govt.  
1.5 GIEPA facilitates NEA forms for Investors.

2 weeks  
Proposed

2

NEA Assesses environmental impacts of the project

21 Days Proposed

3

Investor negotiates and agrees PPA with NAWEC.  
3.1 Investor forwards application package to PURA (PPA, NEA, Etc.)

2 weeks  
proposed

4

PURA Evaluates the complete package

1 week  
proposed

5

PURA recommends to the Minister  
5.1 Minister Gives his/her decision to PURA  
5.2 PURA conveys decision to investor

18 Days  
Proposed

Thank you!

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