

Rwanda Utilities Regulatory Agency



RWANDA ENERGY INVESTORS FORUM

Kigali, 29th Feb-1st Mar 2011

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DIRECTOR GENERAL-RURA

INTRODUCTION

Reforms of Liberalisation and Privatisation led to the Creation of RURA;

As an Independent Institution for ensuring non-discriminatory treatment of all players in the liberalized market;

With Legislations and Regulations for sufficient and sustainable investment to satisfy existing demand, expand supply and introduce new services

And Focusing on Increasing investor confidence

ESTABLISHMENT OF RURA

RURA is a national institution established by the Law N°39/2001 of 13/09/2001 for the Regulation of Certain Public Utilities

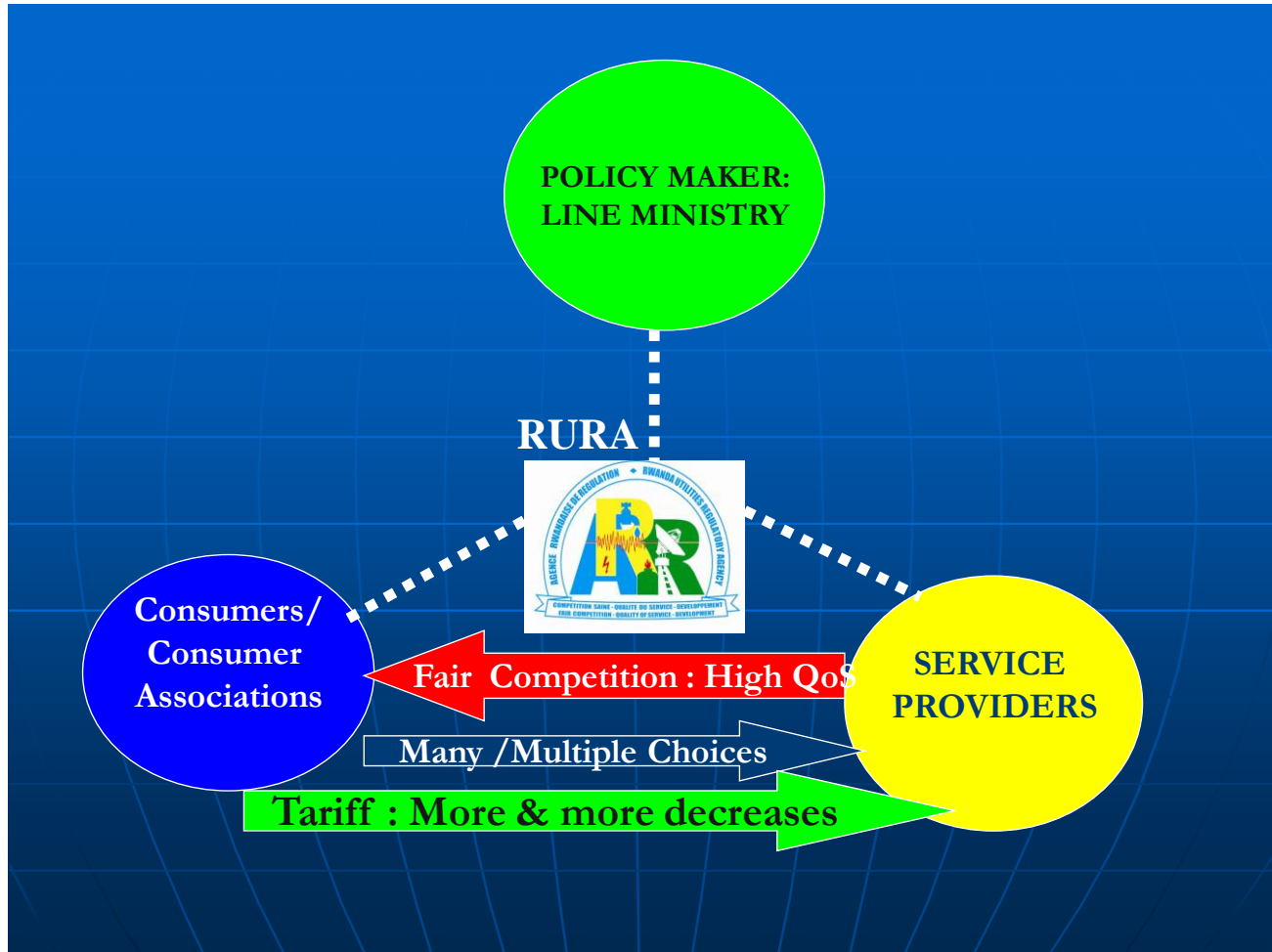
RURA has a legal personality and autonomy in the management of its finances, assets and employees and has its own official seal and Regulates ;

The public utilities regulated by RURA are **Energy**, Telecommunications, Water and Sanitation, and Transport

THE LEGAL MANDATE UNDER ENERGY

1. Ensure energy service provision throughout the country is meeting the demand;
2. To ensure that licensees have adequate means to finance their activities;
3. To promote the interest of users and potential users of services through effective competition;
4. Ensure Consumer protection ;
5. Facilitate and encourage private sector participation in investments by setting up conditions enabling electric power investments;
6. Ensure compliance by public utilities with the laws ;

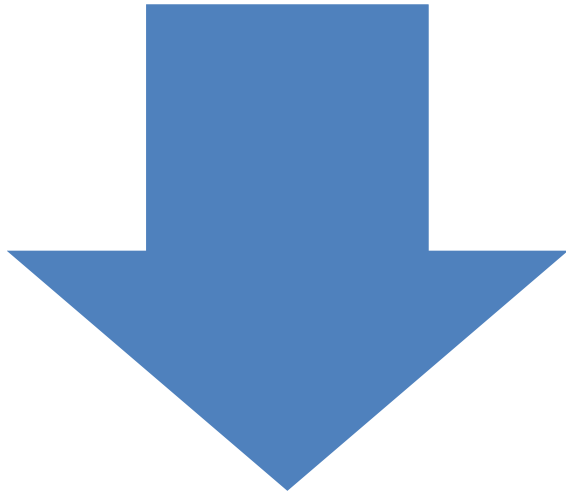
THE RELATIONSHIP LINK



LICENSING FRAMEWORK

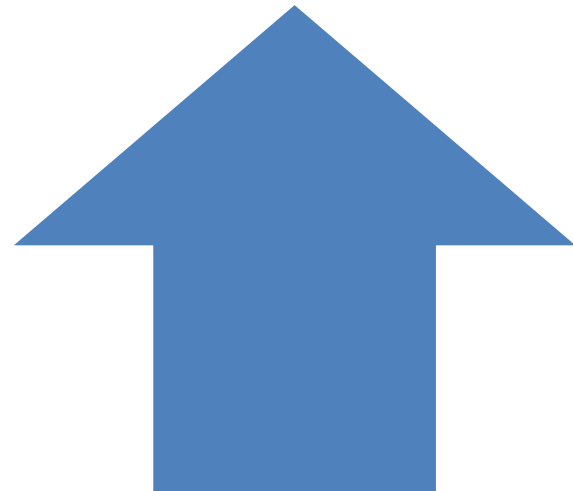
TYPES OF LICENSES

Generation,
Transmission,
Distribution, Export
and Import, Supply
and Rural
Electrification Licenses



THE STRATEGIC GOAL

Unbundling the sector
for efficiency and
growth



Application letter with all details on the applicant (company information, ...) and the payment of required fee

A comprehensive Business Plan and proof of financial and technical capacity

**LICENSING
REQUIREMENTS**

Fulfillment of technical requirements

Necessary approvals/Clearance from relevant authorities (MININFRA, Local Authority, RDB, REMA...)

Electricity Market

1. Based on free and equal access to the activities of electricity production, transmission and distribution.
2. The electricity transmission and distribution activities are non-discriminatory

Tariff Regulations

1. The tariffs are approved and published by the Regulatory Authority.
2. The tariff remain in force during a determined-period
3. Tariffs observe the normal return on investments.

FEED IN TARIFFS FOR HYDRO POWER PLANTS - ESTABLISHED THROUGH REGULATIONS

A Study on the Renewable Energy Feed in
Tariff (REFITs) has been carried out recently;

It determined the new REFITs structure by developing a tariff system methodology for the purchase of energy by the off taker from small sized hydropower plants and other renewable energy, based power generation projects up to 10MW.

THE BASIS OF THE APPROVED REFIT TARIFF

The proposed REFITs are developed on a cost recovery plus return basis to encourage mobilization of private investors.

Only the REFITs for the hydro have been so far validated

REFIT for other RE technologies (solar, geothermal, Wind) awaits some benchmarking with sister regulatory authorities

THE SCOPE OF THE RENEWABLE ENERGY FEED IN TARIFF

- Applicable to any person intending to construct and operate any Hydropower Plant that produces a minimum of 50 kw and a maximum of 10 MW.
- The projects in sizes that fall outside the above ranges, which have acceptable proximity to the Grid with low loss features may be presented to the off-taker for consideration provided that no such projects are obtrusive to system stability, and shall have attractive economies of scale.
- The regulations shall not apply to off grid development projects.

THE OBJECTIVES OF THE RENEWABLE ENERGY FEED IN TARIFF

- create an enabling environment for renewable electricity power generation in Rwanda;
- establish a guaranteed price for electricity generated from renewable for a fixed period of time that provides a stable income stream and an adequate return on investment;
- create a dynamic mechanism that reflects market and economic developments;
- provide access to the grid and an obligation to purchase power generated;
- establish an equal playing field with conventional electricity generation;
- create a critical mass of renewable energy investment and support the establishment of a self sustaining market.

No	TARIFF (IN \$US) PER KWH	PLANTS INSTALLED CAPACITY
1	16.6 US cent	50 kw
2	16.1 US cent	100 kw
3	15.2 US cents	150 kw
4	14.3 US cents	200 kw
5	13.5 US cents	250 kw
6	12.9 US cents	500 kw
7	12.3 US cents	750 kw
8	11.8 US cents	1 MW
9	9.5 US cents	2 MW
10	8.7 US cents	3 MW
11	7.9 US cents	4 MW
12	7.2 US cents	5 MW
13	7.1 US cents	6 MW
14	7.0 US cents	7 MW
15	6.9 US cents	8 MW
16	6.8 US cents	9 MW
17	6.7 US cents	10 MW

OPPORTUNITIES

Establishment of UAF to optimize access to electricity in all areas of the country through cost effective means and minimized support.



333 hydro site have been identified, among which 21 are being constructed or feasibility studies are undergoing

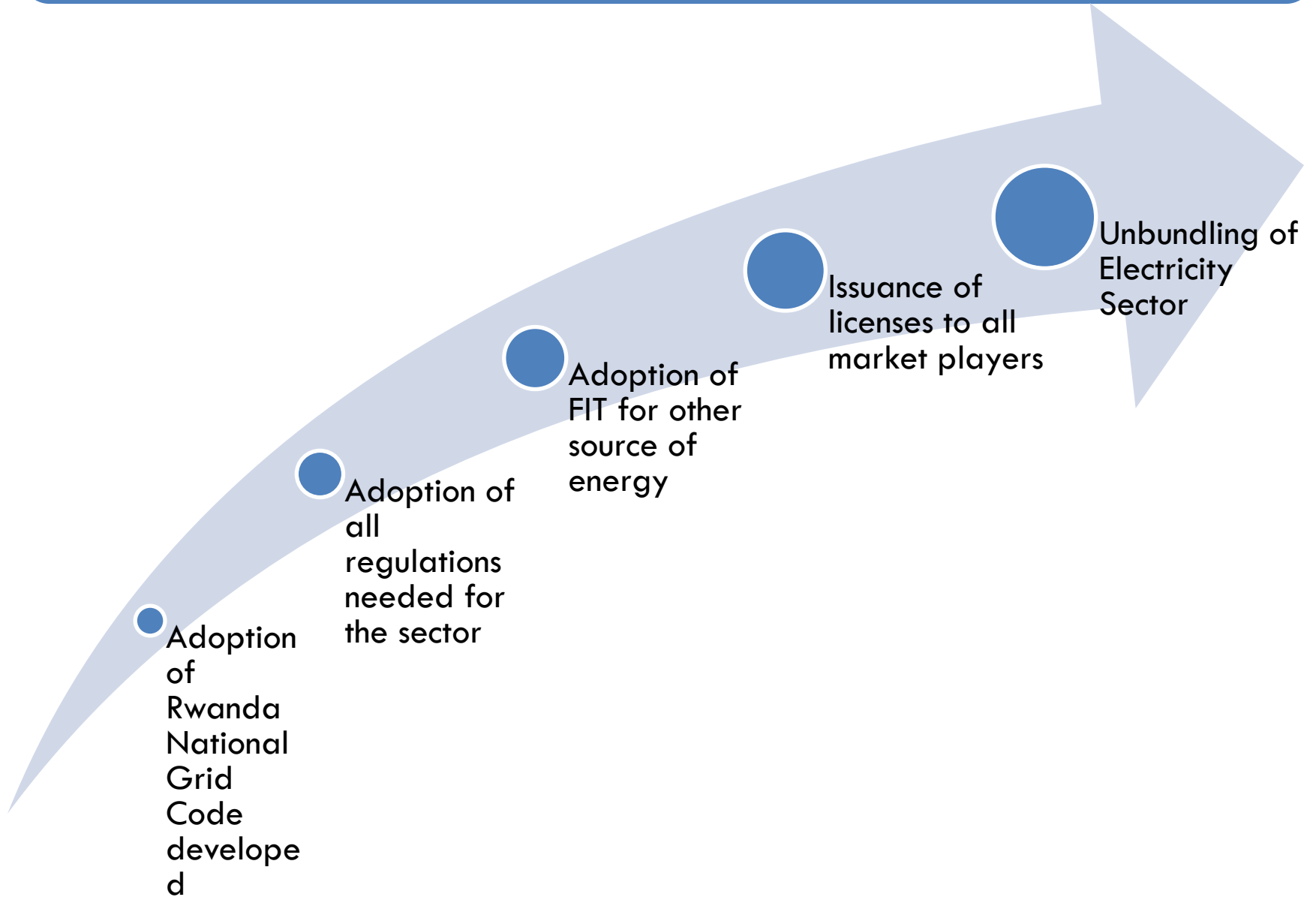


Only around 260,293 customers access to electricity; with 100.4 MW installed capacity



The current generated power is consumed 60% in Kigali and 40% in other areas.

Way forward





THANK
YOU FOR

YOUR KIND
ATTENTION