Project Summary

Project Background
The Myanmar National Electrification Plan (NEP) outlines the commitment of the Myanmar Government to electrify 100% of Myanmar’s households by 2030 (against approx. 30% as of 2016). Adding on to the community-based RE mini-grids sector, the participation of the private sector in rural electrification is becoming increasingly acknowledged. Feeding-in distributed RE power in the main-grid is equally receiving more attention considering the predictable shortfalls in power supply. The regulatory frameworks to increase investments in both sectors are, however, far from being mature.

The TA assignment was in support of the Department of Rural Development (DRD) under the Ministry of Agriculture, Livestock and Irrigation (MoALI), which is responsible for the development of the RE mini-grid sector, implemented in close cooperation with the Ministry of Electricity and Energy (MoEE), which is mandated with on-grid electrification as well as with States and Regions, which are entitled to regulated power systems up to 30 MW as long as they are not connected to the national grid.

Project Objectives
The main objective of the assignment was to assist the development of supportive regulatory framework conditions for grid-connected small-power producers (SPP) with RE generators (<30 MW) as well as for off-grid RE mini-grids. Specifically, the assignment developed, coordinated, harmonized and presented two regulatory documents (SPP regulation and mini-grid regulation) ensuring the synchronization both when it comes to the interconnection of RE mini-grids into the national grid. As such, both regulations will ensure that grid connected SPPs (<30 MW) and RE mini-grids are legal ("licences - right to exist"), viable ("cost-reflective tariffs") and safe investments ("interconnection and compensation").

Project Results
Building on a consultative and participatory process, state-of-the-art regulatory frameworks as developed in Nigeria, Tanzania and Thailand by our team were adopted to the specific energy governance system (shared responsibility between Union and State/Regions, lack of independent regulator), current situation of SPP and RE mini-grid operators (operating mainly informally) and existing business models. As such the regulations allow "small electricity retailers" (SER) and "small distribution network" (SDN) licenses next to the more common SPP and mini-grid licenses. Their combination legalizes existing business models and provides flexibility in the dynamically emerging decentralized RE market in Myanmar. A light handed regulatory process has been developed for systems below 1 MW.

Services Provided
- Review and analysis of institutional framework, laws and rules
- Mobilization of key stakeholders at national and state level as well as with development partners
- Consultative meetings and expert interviews at the inception of the assignment
- Implementation of a study tour to small grid-connected RE generators in Thailand (with MoEE/MoALI and REAM)
- Development of communication strategy to increase the buy-in at MoEE, the utilities (ESE, YESB and MESB) and RE industry associations (REAM, SHPAM)
- Analysis of the current business models, legal and administrative procedures and practices and consultation with key stakeholders about critical decisions
- Review of international best practices for grid connected SPPs and isolated RE-mini-grids and development of a seamless framework for off-grid and grid-connected decentralized RE systems
- Stakeholder consultations, legal and peer review of drafts, translation into Burmese and revision based upon feedback by policy makers and experts
- Conduction of a two day Forum (public hearing) and revision of the drafts based upon feedback received.