



BRIEF ON RE PROGRAMMES STATUS AND REFITS IN TANZANIA.

*For International seminar on Global Renewable Energy Support
Programme focusing on Globally funded feed in Tariffs.*

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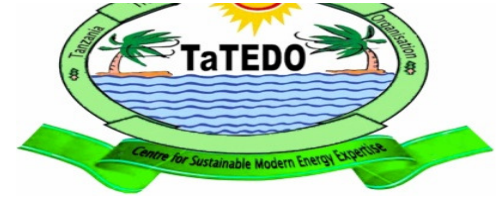
RE PROGRAMS IN TANZANIA



Background.

- Tanzania has population of 45million. Electrification rate is low at 20%, and in rural areas where 80% of its population live only 8% are electrified. More than 80% of its energy is from unsustainable biomass resources.
- The country is endowed with diverse forms of renewable energy resources, ranging from biomass and hydropower to geothermal, solar, and wind.
- As such the country has high potential of utilizing renewable energy sources to increase energy access especially in rural areas. Yet, only about 5% of its electricity is from Renewable energy, if hydro is not considered

CONSTRAINTS ON RENEWABLE ENERGY DEVELOPMENT



Institutional, Regulatory, and Legal

- Inadequate data and power planning tools to integrate renewable options;
- Policy and regulatory framework for renewable energy incomplete;
- Lack of incentive to develop mini-grid projects due to uncertainty of when the grid expansion reaches the project area;
- Unregulated biomass resource extraction from forests.

Knowledge and Capacity

Limited local capacity in undertaking feasibility studies, detailed design, and construction of renewable energy power plants;

- Lack of sound forest resource information and sustainable harvesting plans;
- Lack of awareness to consumers on standards and technology choices.

Economic and Financial

- High capital cost for renewable energy projects;
- Scarcity of equity financing;
- Off-taker, resource, and currency risks for renewable energy projects;
- Un-affordability of electricity in some rural areas.

RE POLICY, STRATEGY & PROGRAMMES



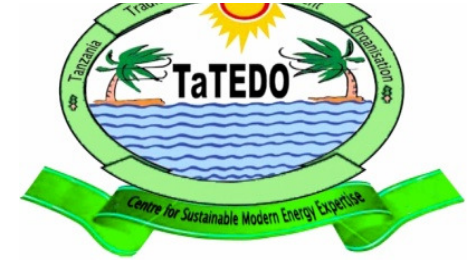
- Energy policy review is ongoing, inputs sought from key stakeholders.
- RE policy formulation TOR in place seeking finance and consultant.
- RE strategy with targets to follow, however electrification target was set at 75% by 2035 from current about 20%,
- Biomass energy strategy (BEST) in place, policy to follow.
- Legal and regulatory framework to be improved.
- Institutional framework MEM, REA, lack local level presence. A number of private and NGOs, but lack capacity at all levels and financing.

RE programmes



- Tanzania is one of the pilot countries that were selected to prepare scaling up renewable Energy programme (SREP) Investment Plans in October 2012.
- SREP, Investment plan is in place focusing on Geothermal, mini grid and off grid solutions.
- On going REA supported mini grids and Isolated solutions.
- NGOs and SMEs as SPPs eligible 100kw to 10MW, several , initiatives, coordination could be improved.
- SE4ALL, currently, Action agenda and investment prospectus on preparation.

REFITS



- New REFITS, was endorsed by the regulatory authority (EWURA), only last week to replace the previous REFIT which was based only on micro hydro.
- REFITS are now technology specific and cost reflective for projects up to 10MW,



REFIT IN US\$/kWh

Size MW	Tanzania REFIT	Tanzania previous SPP
<u>Microhydro</u>		
<0.1	.151	0.088-0.117
0.1-0.25	.130	0.088-0.117
0.25-2	.111	0.088-0.117
2-5	.094	0.088-0.117
5-10	.080	0.088-0.117
<u>Biomass</u>		
0.5-5	.181-154	0.088-0.117
5-10	.138	0.088-0.117
<u>Solar</u>		
<0.1	.511	0.088-0.117
0.1-0.25	.474	0.088-0.117
0.25-2	.429	0.088-0.117
2-5	.355	0.088-0.117
5-10	.324	0.088-0.117
<u>Wind</u>		
<0.1	.251	0.088-0.117
0.1-0.25	.210	0.088-0.117
0.25-2	.180	0.088-0.117
2-5	.159	0.088-0.117
5-10	.140	0.088-0.117



MANY THANKS FOR THE OPPORTUNITY
AND ATTENTION.

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