



GHANA FEED-IN-TARIFF (FIT) POLICY & GUIDELINES

Establishment-PURC

- The Public Utilities Regulatory Commission (PURC) was set up by an Act of Parliament, Act 1997, (Act 538) to regulate the provision of utility services in Ghana.
- The PURC as an independent regulator currently regulates water, electricity and natural gas.
- The Commission by virtue of its mandate has the responsibility to set utility tariffs in Ghana.

Renewable Energy Act 2011, Act 832

The Renewable Energy Act 2011, Act 832 gives the Public Utilities Regulatory Commission(PURC) the responsibility to set the Feed-In-Tariff (FIT) as the pricing mechanism for Renewable Energy Technology in Ghana

Feed-in-tariff scheme

The Feed-in-tariff (FIT) scheme in accordance with Section 25 of the Renewable Energy Act 2011, Act 832 consists of

- a) The renewable energy purchase obligation
- b) The feed-in-tariff rate; and
- c) A connection to transmission and distribution system

Renewable Energy Purchase Obligation-I

In accordance with Section 26 (1)& (2) of the RE Act 2011, Act 832;

1. An Electricity distribution utility or bulk customer shall procure a specified percentage of its total purchase of electricity from renewable energy sources.
2. The PURC shall in consultation with the Energy Commission specify the percentage level of electricity to be purchased by the electricity distribution utility or bulk customer.

Renewable Energy Purchase Obligation-II

In accordance with Section 26 (3) of the RE Act 2011, Act 832 the PURC shall take into account the ;

- a) technology being used to generate electricity from renewable energy sources;
- b) assurance of the financial integrity of public utilities; and
- c) net effect of the cost of renewable energy on the end-user tariff.

FIT Rate Setting-Legal Authority of PURC

Section 5 of Act 832 mandates the Public Utilities Regulatory Commission (PURC) to approve

- a) rates chargeable for the purchase of electricity from renewable sources by public utilities;
- b) charges for grid connection; and
- c) rates chargeable for wheeling of electricity from renewable energy sources.

Objectives of The Policy

The objectives of this FIT Policy and Guidelines are to:

- ensure access and availability of electricity to consumers at reasonable times and at affordable rates;
- promote the use of renewable energy sources for electricity generation;
- promote transparency, consistency and predictability in the pricing of electricity generated and supplied from renewable energy sources;
- attract investments in the generation of electricity from renewable energy resources; and
- ensure coordinated and sustainable development and integration of renewable energy into the national electricity supply mix.

Guideline for determination of Rates-I

The rates setting provisions of PURC as stated in sections 16(3(a-d)), 17, and 20 of Act 538 require PURC in preparing guidelines for determination of rates, to take into consideration the following objectives:

- a. Consumer interest
- b. Investor interest
- c. Assuring reasonable cost of production of the service
- d. Assurance of the financial viability of the public utility
- e. Economic development of the country
- f. Best use of natural resources
- g. Uniformity of prices throughout the country
- h. Competition among utility companies

Guideline for determination of Rates-

II

In the determination of feed-in-tariff, the PURC shall take into account the following as stated in sub-section 27 (3) of Act 832:

- 1) technology being used in the renewable energy industry;
- 2) location of the generation facility;
- 3) operating norms for the specific technology under consideration;
- 4) costs associated with construction, commissioning, operation and maintenance of the plant;
- 5) reasonable rate of return; and
- 6) balance between the interest of the consumer and the investor.

- **The Gazetted Feed-In-Tariff schedule**

Renewable Energy Technology	FIT Effective 1st september 2013 (GHp/kWh)
Wind	32.1085
Solar	40.2100
Hydro $\leq 10\text{MW}$	26.5574
Hydro ($10\text{MW} > \leq 100\text{MW}$)	22.7436
Landfill Gas	31.4696
Sewage Gas	31.4696
Biomass	31.4696

Multi-period FIT Regime

As per sub-section 27 (4) of the Renewable Energy Act, 2011 Act 832

The FIT rate, fixed for electricity generated from renewable energy sources shall be guaranteed for a period of ten (10) years and subsequently be subject to review every two years.

Applicable FITs Schedule

FITs approved by PURC for a particular year shall be applicable and fixed for the following 10 years for all projects for which the Power Purchase Agreement (PPA) is signed in the year the FITs was approved by PURC.

Conclusion

- The FIT has attracted investment into the sector by both private and government and this is evidenced in the number of request being brought to the PURC (eg. Bio-mass, WTE & Solar)
- On the Government side there are also completed investment in solar eg VRA 2MW plant in Northern Ghana; another initiative by Savanna Accelerated Development Authority(SADA) to build solar plants across the Northern Region for mechanized agriculture and domestic use
- The introduction of Renewable Energy Technology will supplement the existing energy generation from conventional sources, although it is not a panacea to the current energy crisis we are facing as a country.

Thank You