

Effective Government Policies and Incentives to Support Wind Power

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Policy Recommendation

- ❖ Policies are **key and essential** to attract developers; financing needs to be **country specific**
- ❖ Policies need to be **transparent, consistent, long-term and certain** to encourage investments and ensure continuous growth.
- ❖ Government has to provide **predictable, holistic and coordinated approach** from planning and legislation, putting in place efficient markets and financing opportunities, effective balancing mechanisms, strong grid and transmission lines, and incentives to drive investments in renewable energy

Policy Recommendation

- ❖ Consider **real cost of fossil fuel vs. cost of renewable energy**. Cost of externalities, subsidies to fossil fuels, and carbon taxes be considered in energy planning.
- ❖ **Include private sector** in energy planning through public consultations to enable partnerships.
- ❖ Use of **FEED-IN-TARIFF** considered the most effective incentive to encourage investments in renewable energy. The challenge lies in **determining the right tariff level** that balances attractiveness to investors and acceptability to ratepayers.

Rubber meets Road ...

Policy must fund

- Building/upgrading transmission and sub-stations
- Building capacity within electricity planning and dispatch centers to safely incorporate variable sources of energy, and approve interconnections
- Building infrastructure like roads, bridges, etc. to wind rich areas
- Long-term wind measurement
- Building capacity within environmental & permitting departments to approve wind projects
- Land reforms & development of legal framework to lease public and private land

Wind FIT Rates in Asia

Country	USD/kWh
Japan	0.18 - 0.24
Taipei, China	0.07 - 0.20
Thailand (base (\$0.09) + adder (\$0.11))	0.20
Sri Lanka	0.19
Pakistan (cost + system ROI 17%)	0.09 - 0.12
<i>Kazakhstan¹</i>	<i>0.11 - 0.12</i>
Malaysia ¹	0.07 - 0.11
India	0.07 - 0.10
<i>Mongolia¹</i>	<i>0.08 - 0.10</i>
China	0.08 - 0.09
Vietnam (EVN + Environment Protection Fund)	0.09
Korea	0.09
Armenia (AMD 31.3 w/o VAT)	0.09

•These are indicative ranges. In many countries, FIT vary by state and / or wind regimes

•Additional incentives - number of years for FIT, tax holidays and import duties reductions are offered in many countries,

¹ For verification

ASIA CLEAN ENERGY FORUM 2012



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JUNE 4-8, Manila



Third Quantum Leap in Wind Conference, June 4-5, 2012

Day 1: Wind Energy Project Development Training: Theory Vs Practice Through 6 Case-Studies in Asia

Day 2: What will it take to accelerate wind development in Asia?

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THANK YOU

Contact details for more information

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