





བསྐྱོད་རྒྱུ་སྒྲིག་ལུགས། རྒྱལ་ཁུགས་སྤེལ་བྱེད་ལས་ཁུངས།

རྒྱལ་ཁུགས་སེར་ཚབ་སྡེ་ཚོན།

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renewable energy can play a key role in this transition. The policy was also aimed d to ensure adequate provision and extensive use of modern energy services in rural areas, which have been largely dependent on firewood and kerosene for cooking, heating and lighting. In urban areas, the policy aimed at optimizing and conserving the usage of grid-power through promotion of dispersed energy generation options.

## 2. Rationale

The Department of Renewable Energy proposes to review the Alternate Renewable Energy Policy (AREP) 2013 for the following reasons:

- a. The AREP 2013 has served its purpose, however, several gaps need to be addressed to make the policy adhere with the current socio-economic conditions and technological advancement.
- b. Globally, the increased uptake of Renewable Energy Technologies (RET) for energy generation has transformed the cost of electricity from the Renewables. Thus, there is a need for reviewing the provisions related to Feed-in-tariff and net metering.
- c. The provision pertaining to Renewable Energy Development Fund (REDF) needs further discussions and impact analysis with key stakeholders mainly Ministry of Finance.
- d. The current policy does not contain specific provisions on the solar rooftop system which has a huge potential to benefit the country.
- e. Related and critically linked statutes of the country such as Electricity Act of Bhutan 2001, Sustainable Hydropower Development Policy 2021, Energy Efficiency and Conservation Policy 2019 are either being amended or new versions have been adopted. Hence, there is a need to align with these Acts and Policies.



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- f. Amplified threats of climate change and rapid surge of domestic demand necessitates addition of new clauses/provisions to address such issues.
- g. The need for review of policies and regulations was also the key highlights in the Renewable Readiness Assessment (RRA) report 2019 developed by the International Renewable Energy Agency (IRENA).
- h. The AREP 2013 also bestows the investment and operation opportunity in RE sectors by the public and private entities although these provisions have not been exercised so far. However, such provision in the policy warrants careful review in accordance with the geo-political realities and priorities of the country.
- i. Concurrently, the Department is also undertaking or planning to develop RE projects such as solar rooftop prosumer projects and utility scale RE projects. These pilot projects are designed to inform the ground realities and pragmatic solutions which would be crucial in amendment of AREP 2013.
- j. The review of the policy could also offer opportunities to adopt more ambitious renewable energy targets than the existing 2025 targets based on the evolving market conditions and resource potential.

### 3. Scope of the Work

- a. The Department will form an Internal Review Committee (IRC) that shall review each clause of the policy led by the Policy and Coordination Division (PCD).
- b. The IRC will compile and submit the final review report to the Department for the endorsement.
- c. The Department shall recruit National Consultant to carry out independent review, data collection, situational assessment analysis, conduct stakeholder meetings and workshops and consolidate and print the review report.
- d. The TOR for the National Consultant will be developed based on the review report conducted by the IRC.



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- e. The Department (IRC) shall coordinate and facilitate the NC to provide appropriate directives during the reviewing process, meetings and consultation workshops.

#### 4. Work Schedule:

##### Timeframe

The Department is in the process of exploring financial and technical assistance from the office of UNDP and ADB Bhutan. Once these assistances are being secured, the necessary collaboration modalities will be set and the detailed timeframe will be developed in consultation with the UNDP & ADB. However, a tentative plan is given below for the execution and implementation of the review works:

Sl. No.	Activity/Month	Aug - 21	Sep- 21	Oct - 21	Nov - 21	Dec - 21	Jan- 22	Feb - 22
1.	Submission of the concept note to the Ministry for endorsement							
2.	Submission of the concept note to the GNHC for endorsement							
3.	Submission of the concept note to the UNDP and ADB for collaboration modalities							
4.	Recruitment of Consultant							
5.	1 <sup>st</sup> stakeholder consultation meeting							
6.	Presentation of the zero draft Policy							
7.	2 <sup>nd</sup> stakeholder consultation meeting							
8.	Finalization of the draft Policy							



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## 5. List of Stakeholders for Consultation:

- Department of Hydropower and Power Systems (DHPS),
- Bhutan Electricity Authority (BEA),
- Druk Green Power Corporation (DGPC),
- Bhutan Power Corporation (BPC),
- National Environment Commission (NEC),
- Department of Forestry and Park Services (DoFPS),
- Department of Livestock (DoL),
- National Land Commission (NLC),
- Department of Culture (DoC),
- National Center for Hydrology and Meteorology (NCHM),
- Ministry of Works and Human Settlements (MoWHS),
- Bhutan Standard Bureau (BSB),
- Department of Industry (DoI),
- Ministry of Finance (MoF),

## 6. Major Impediments/Risks

No major impediments or risks for reviewing and developing the policy on the Alternate Renewable Energy are foreseen as many other related policies such as Bhutan Sustainable Hydropower Development Policy 2021 (BSHDP), National Energy Efficiency and Conservation Policy 2019 (NEECP), Economic Development Policy 2016 (EDP) are already put in place. The reviewed policy will only, create a viable situation to promote and deploy the Alternate Renewable Energy Technologies (ARETs) in the country. The activity was proposed in the 12<sup>th</sup> FYP and shall be carried out in this financial year.