

# RENEWABLE ENERGY FOR RURAL LIVELIHOOD (RERL)



RERL aims to scale up renewable energy in rural Nepal.

## BACKGROUND

Over 75% of the population of Nepal has access to electricity. However, in rural areas, this figure drops to around 60%. Most households receive electricity from the national grid and about 15% from off-grid renewable sources such as Pico hydro (<10 kW), micro hydro (10 to 100 kW) and solar home systems (SHS). There is potential for mini hydropower (>100 kW) projects, but very few have been developed owing to technical and operational challenges.



A video parlour in Dolakha run using electricity from a micro-hydro plant

RERL aims to unlock this potential by supporting the Government's efforts to institutionalize rural energy development activities. The National Rural and Renewable Energy Programme (NRREP), the base line programme of RERL, has a five-year target to produce 25 MW from micro hydro and mini hydro-power plants. RERL's target to add 10 MW from mini/micro hydro is aligned with NRREP, and its support for promoting Institutional Solar Photo Voltaic (ISPV) and Solar Pumping (PVPS) systems will contribute towards innovative approaches for the Alternative Energy Promotion Centre (AEPCC). RERL supports AEPCC/NRREP in the areas of mini hydro, mini grid, solar PV, productive energy uses and Public Private Partnership (PPP).



## QUICK FACTS:

**Duration:** 2014 – 2019

**Focus:** Renewable Energy and Livelihood

**Source of Funding:** Government of Nepal (GoN), Global Environment Facility (GEF), UNDP

**Implementing Entity:** UNDP

**Implementing Agency:** Alternative Energy Promotion Centre

**Partners:** GoN, GEF and UNDP

**Budget for total project period:** US\$ 35,312,500

**Annual Budget (2017):** US\$ 1,161,845



# ACHIEVEMENTS SO FAR



A carpentry operation being run with electricity generated by the Rum Khola Micro-Hydro Project in Myagdi

- Developed methodology for preparation of the Municipal Electrification Plan.
- Installed 769 kWp solar PV systems through solar mini grids, pumping and institutional solar systems in health posts/hospitals/birthing centres, schools/learning centres and government offices.
- Rehabilitated 37 micro hydro plants with a total installed capacity of 1000 kW, benefiting 9,920 households.
- Supported 1,182 Micro, Small & Medium Enterprises (MSME) and 3,151 income-generating activities benefitting 14,809 people.
- Increased access for vulnerable groups to sustainable productive assets and environmental services; provided access to modern energy services to 25,000 households.
- Trained 122 women entrepreneurs in business management.
- Prepared the Renewable Energy Subsidy Policy 2016 and Subsidy Delivery Mechanism 2016.
- Signed MoU with the Nepal Electricity Authority for expansion and management of off-grid renewable energy systems.

## EXPECTED RESULTS

Conducive legal, institutional and policy environment will be created,

Innovative financial mechanisms will be developed to attract private investment in renewable energy systems and productive energy uses,

1 MW mini hydro, 2 MW micro hydro and 500 kW solar PV systems will be established,

Mini grid interconnecting mini hydro plants of 300 kW capacity to pool energy will be installed.

Capacity of public and private sector stakeholders for promotion of larger renewable energy systems will be enhanced.

## GENDER AND SOCIAL INCLUSION

- Supported the provision of additional subsidy in the Renewable Energy Subsidy Policy 2016 for marginalized and women-headed households.
- Strengthened skills of women, people from occupational caste groups and indigenous nationalities, and other excluded groups, to enable them to benefit from modern energy systems.

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