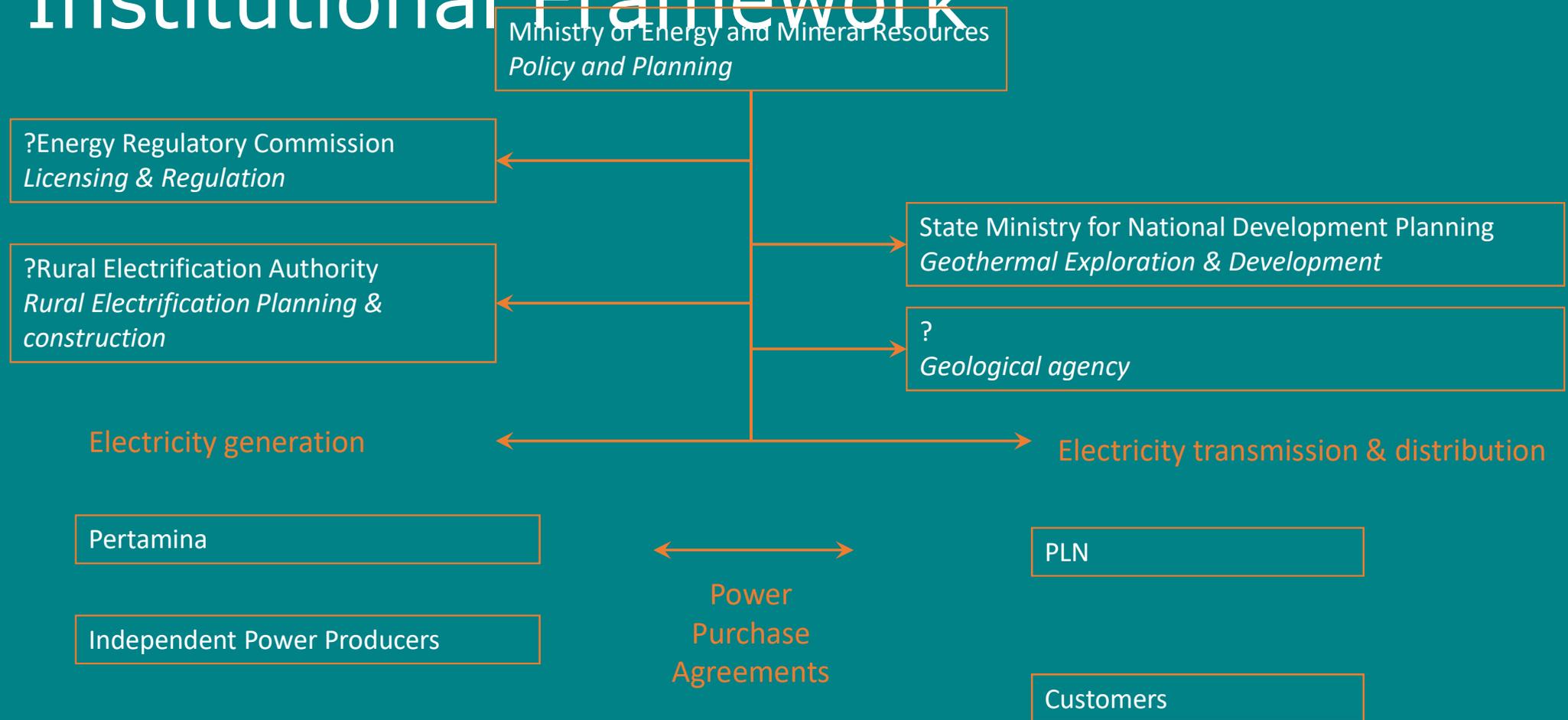
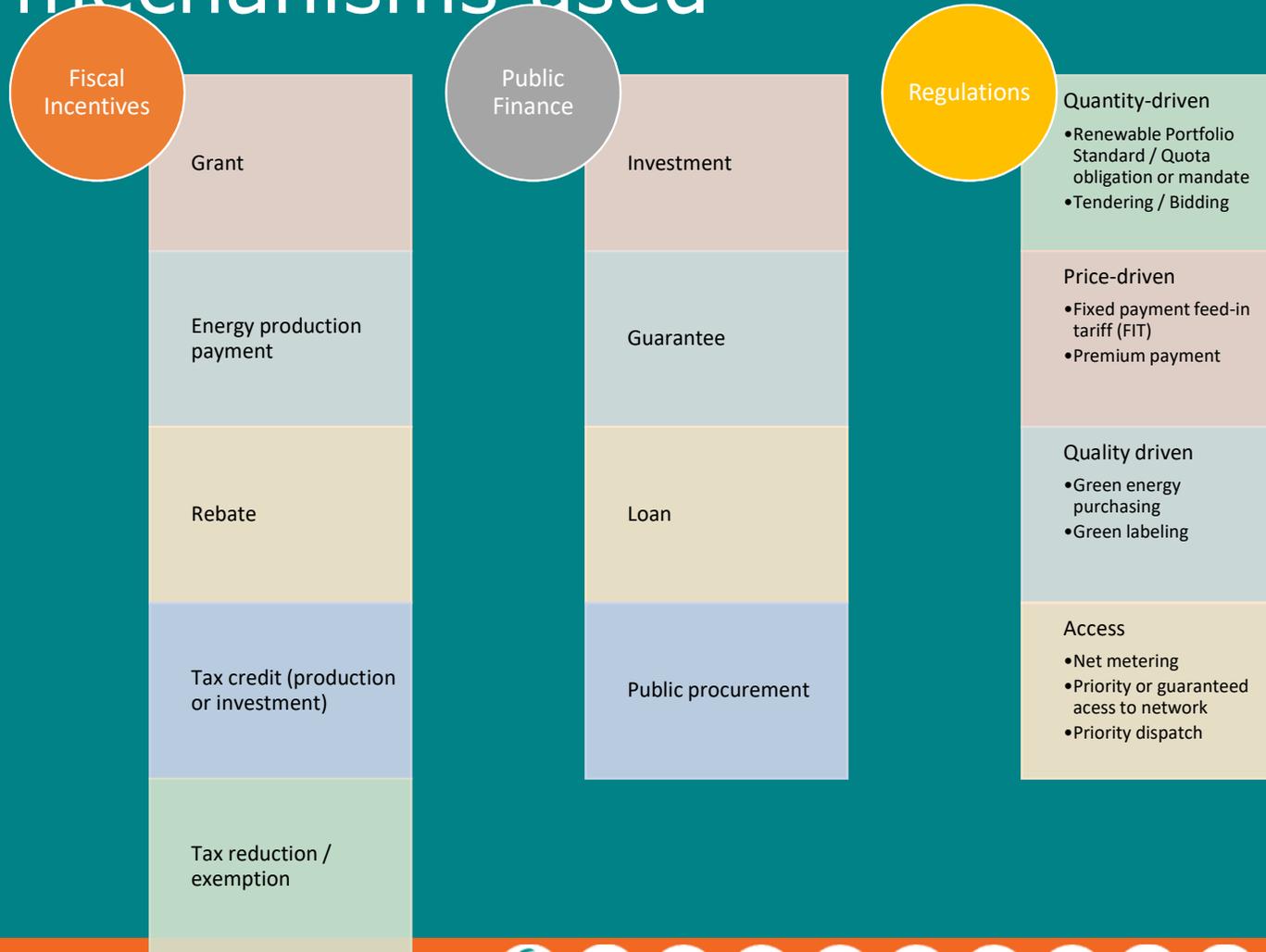


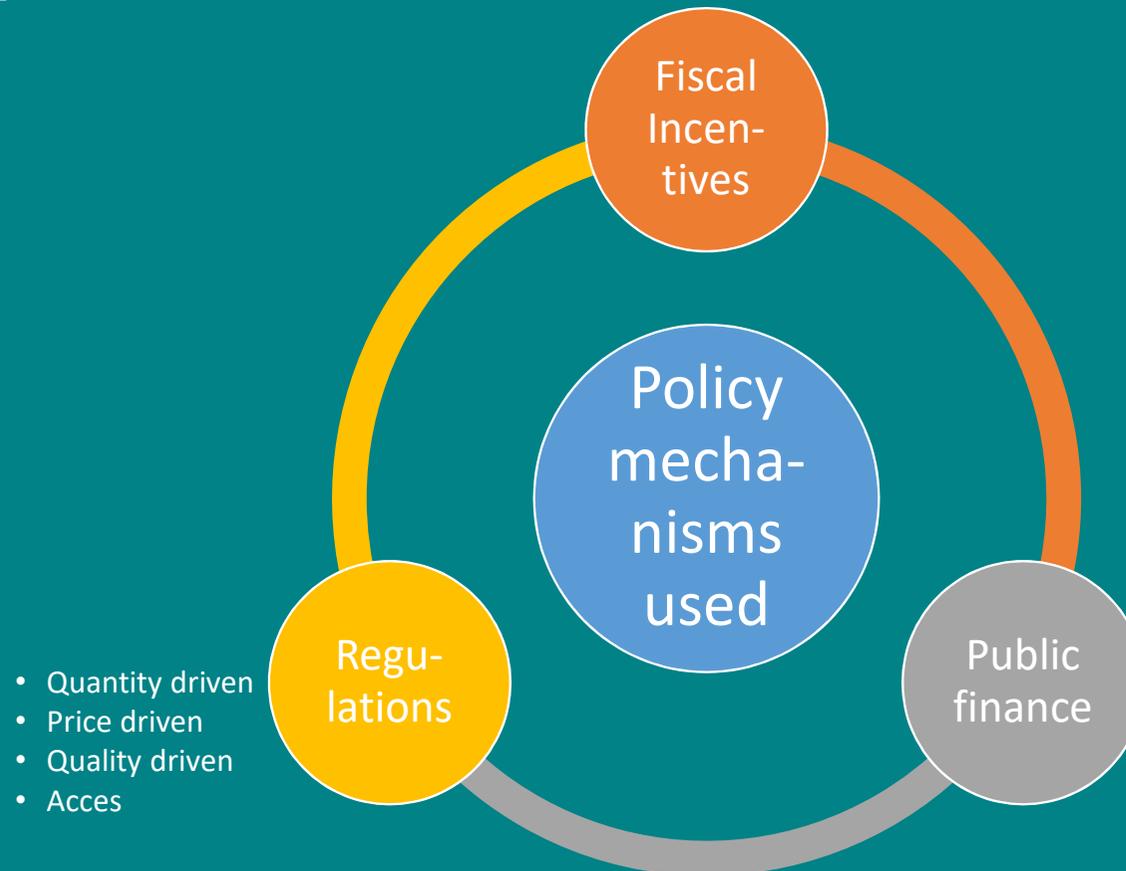
# Institutional Framework



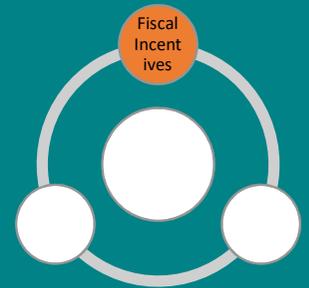
# Policy mechanisms used



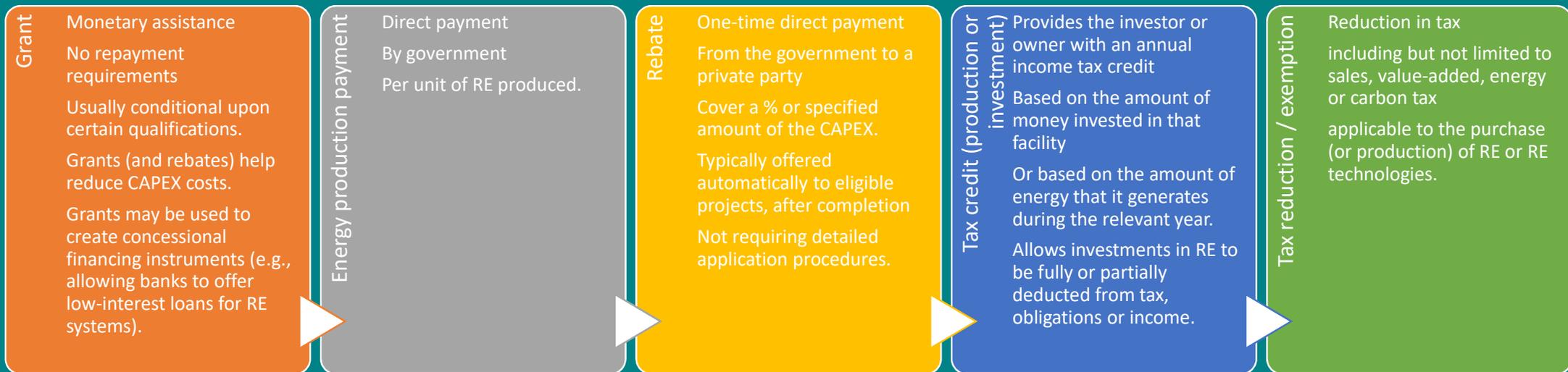
# Policy mechanisms used



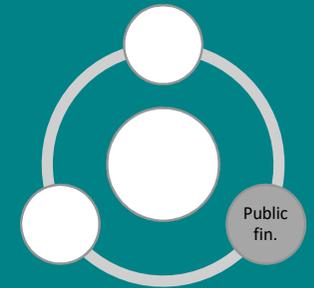
Source: Irena, policy brief, evaluating policies in support of the deployment of renewable power; 2012. [www.irena.org/publications](http://www.irena.org/publications)



# Fiscal Incentives



# Public finance



## Investment

Financing provided in return for an equity ownership interest in a RE company or project.

Usually delivered as a government-managed fund

Direct investment in equity and companies,

Or as funder of privately managed funds (fund of funds).

## Guarantee

Risk-sharing mechanism

Aimed at mobilizing domestic lending from commercial banks that have high perceived credit (i.e., repayment) risk.

Typically a guarantee is partial, it covers a portion of the outstanding loan principal (50 - 80% common).

## Loan

Financing provided in return for a debt (i.e., repayment) obligation.

Provided by

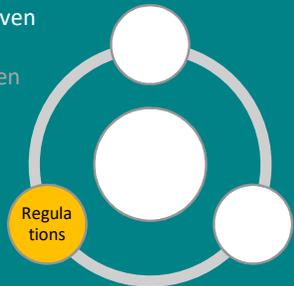
- government,
  - development bank
  - investment authority
- usually on concessional terms
- e.g., lower interest rates or
  - with lower security requirements.

## Public procurement

Public entities preferentially purchase RE services (such as electricity) and/or RE equipment

# Regulations – *Quantity-driven*

- Quantity driven
- Price driven
- Quality driven
- Access



## Renewable Portfolio Standard / Quota obligation or mandate

Obligates designated parties (generators, suppliers, consumers) meet minimum (often gradually increasing) RE targets,

- generally expressed as percentages of total supplies or
- as an amount of RE capacity, with costs borne by consumers.

Building codes or obligations requiring installation of RE heat or power technologies

Often combined with efficiency investments (RE heating purchase mandates).

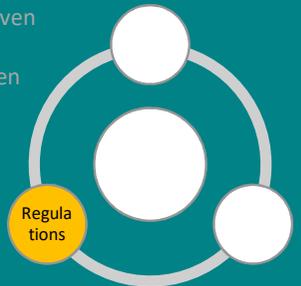
Mandates for blending biofuels into total transportation fuel in % or specific quantity.

## Tendering / Bidding

Public authorities organise tenders for given quota of RE supplies or supply capacities, remunerate winning bids at prices mostly above standard market levels

# Regulations – *Price-driven*

- Quantity driven
- Price driven
- Quality driven
- Access

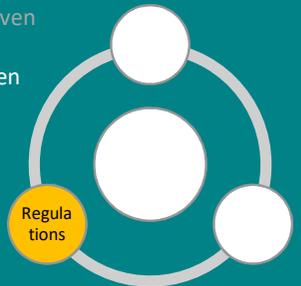


**Fixed payment  
feed-in tariff (FIT)** Guarantees RE supplies with priority access and dispatch  
Setting a fixed price varying by technology per unit  
Delivered during a specified number of years.

**Premium payment  
FIT** Guarantees RE supplies an additional payment on top of their energy market price or end-use value.

# Regulations – *Quality driven*

- Quantity driven
- Price driven
- Quality driven
- Access



**Green energy purchasing** Regulates the supply of voluntary RE purchases by consumers beyond existing RE obligations.

**Green labelling** Government-sponsored labelling

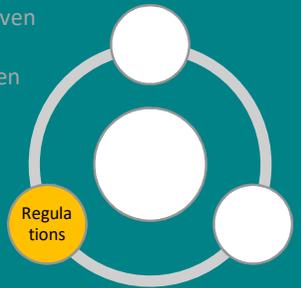
- there are also some private sector labels

Guaranteeing that energy products meet certain sustainability criteria to facilitate voluntary green energy purchasing.

Some governments require labelling on consumer bills, with full disclosure of the energy mix (or share of RE).

# Regulations – Access

- Quantity driven
- Price driven
- Quality driven
- Access



## Net metering (also net billing)

Allows a two-way flow of electricity between the electricity distribution grid and customers with their own generation.

The meter flows backwards when power is fed into the grid

Power compensated at the retail rate during the 'netting' cycle

regardless of whether instantaneous customer generation exceeds customer demand.

## Priority or guaranteed access to network

Provides RE supplies with unhindered access to established energy networks.

## Priority dispatch

Mandates that RE supplies are integrated into energy systems before supplies from other sources.

# Successful Geothermal Development

## Key Elements:

- availability of sufficiently accurate geothermal resource data and other relevant information
- effective and dedicated institutions
- supportive policies and regulations
- access to suitable financing for the project developer