

# LEGAL AND REGULATORY FRAMEWORK OF THE ENERGY SECTOR OF THE MALDIVES

Presented by: Maldives Energy Authority



# Country Overview



- **1192 tropical islands**
- **190 inhabited islands**
- **107 Tourist Resorts**
- **60 Industrial/agricultural islands**
- **Population of 350,759**
- **Land area: 300 km<sup>2</sup>**
- **6-8% GDP growth annually**
- **Only 1-2 % of the country is land**

# Maldives Energy Authority (MEA)

- \* The Maldives Energy Authority (MEA) is an independent regulatory organization affiliated with the Ministry of Environment and Energy.
- \* Operates under the guidance of a governing board.
- \* Mandated to regulate the energy sector through the implementation of the relevant regulations.
- \* MEA is the delegated authority under the public utilities law 4/96 and by presidential decree.

# MEA : Main tasks that are undertaken currently

- \* Licensing electricians and engineers
- \* Oversee safety and reliability of power systems and electrical installation designs.
- \* Compliance monitoring.
- \* Approval of power systems for islands.
- \* Approval of tariff for electricity services providers in inhabited islands.
- \* Endorsement RE products for the purpose of duty exemption through customs.

# Governance and Operation

Ministry of Environment and Energy

Maldives Energy Authority



STELCO



FENAKA



MWSC



Consumers

# Electricity Service Providers

- \* Service providers can be generalized into the following
  - \* Inhabited islands in the Male' (capital) region provided by State Electric Company Ltd.
  - \* Outer Islands provided by FENAKA corporation (majority) and Island Community/Council
  - \* Resorts provided by themselves as self producers (normal utility tariff does not apply)
- \* includes design, installation and commissioning of power systems

# Electricity Service Providers

- \* All public utility companies (FENAKA and STELCO) are owned by the government but adheres to the regulations implemented by MEA.
- \* All power systems and electrical installations must comply with the regulations of Maldives Energy Authority.
- \* Only MEA licensed engineers and consultants are allowed to carry out works related to power. This includes design, installation and commissioning of power systems.

# The electricity sector of Maldives

- \* Maldives is composed of geographically separate islands.
- \* Currently all islands have their own power systems
- \* Each island is effectively a mini-grid with a diesel based generation system
- \* Very few islands have the PV systems feeding electricity directly into the grid
- \* No interconnection between the islands exist as of today.
- \* The electricity service is provided by utilities or managed by themselves in the islands



# Installed Capacity

Resorts: 105MW



Inhabitants islands: 120MW



Industrial islands: 20MW



**Total:245MW**

# Installed Capacity of PV System

By Private Sector: 2,401 kWp



By Government:  
1,812 kWp



# Enhancing the existing regulatory framework – The progress

- \* Development of new regulations which are complementary to the existing ones.
- \* Increasing human resource capacity of MEA and utilities.
- \* Amendment had been made in the Import/Export law during 2012 to allow for exemption of duty for renewable energy related products.
- \* Further amendment will be proposed to incorporate duty exemption for energy efficient equipment

# Why a broader regulatory framework?

- \* Updating required to improve the safety, quality and reliability of the power service industry
- \* Improving the economic operation of power systems
- \* Protection for investors, service provider and consumers
- \* Incorporating support for renewable energy and energy efficiency as per energy policy
- \* Complementary to the SREP to provide an enabling environment for power sector investments

# Overview of key regulations

- \* **Generation, Distribution and Supply Licensing Regulation**

- \* Details the rules and requirements for licensing operators who deal with electricity production or transmission or distribution (or any combination of these).
- \* Licensing Operators are categorized in to
  - \* Service provider License
  - \* Independent power producer License
  - \* Transmission License
- \* All renewable power producers are also required to obtain operator's license under this regulation
- \* IPPs can distribute electricity to the registered Service Provider through a Power Purchasing Agreement

# Overview of key regulation

## \* **Net Metering Regulation**

- \* This regulation will address the following aspects;
  - \* Applicable to Consumers who are a buyer of energy/electricity from the service providers allocated in that island
  - \* Allows connectivity on first come first serve basis, subject to operational constraints
- \* The capacity of the RE System that is installed to any premises is determined based on;
  - \* The feasibility of the interconnection with the grid
  - \* The sanctioned load of the consumer

# Overview of key regulation

- \* Regulatory framework strengthened by developing and implementing policies, laws, regulation, rules, standards and incentive schemes to integrate RE into the Energy Sector
- \* Power Purchase Agreement and other legal documents are drafted in consideration that many of the developers and investors are from offshore

# Concluding Remarks

- \* The new regulatory framework is a comprehensive set of documents addressing the main aspects of the electricity sector
- \* Reduce the risks and transaction costs for the local and foreign investors and encourage investment in RE in Maldives



# THANK YOU

- \* For questions and comments you can contact us by telephone at (+960) 3019100 or email to [secretariat@energy.gov.mv](mailto:secretariat@energy.gov.mv)
- \* For further information and periodic updates please visit our website at [www.energy.gov.mv](http://www.energy.gov.mv)