



Feed in Tariff Scheme in Egypt

- *Based on a support provided by EgyptERA, GoE has adopted a feed in Tariff scheme for both solar and wind energy as a part of more larger supporting scheme for renewable energy.*
- *According to this scheme both the transmission and distribution companies are committed to purchase the produced electricity from both solar and wind at the prices, which has been set by GoE.*
- *Based on this scheme the GoE will not subsidize the purchased energy from renewable energy producers, the cost will be passed through to consumers.*



Framework for Re
Development Mechanisms

Merchant Re Plants

Power Purchase
Agreement

Feed in Tariff

Competitive Bidding

New & Renewable
Energy Authority (NERA)





Targets of the First Regulatory Period

- *The government has set a target for each type of energy source during the first regulatory period, which will be not less than two years, to ensure market stability.*
- *A total target is to authorize 4300 MW to be achieved over the coming three years (2015-2017). This includes 300 MW for small PV installations (i.e. residential and projects below 500 kW), 2000 MW for medium size and large size PV installations, which range between 500 kW up to 20 MW and from 20MW up to 50 MW and the remaining 2000 MW is from wind energy installations with projects capacities ranging from 20 MW up to 50 MW.*
- *The value of the tariff will be revisited as either the target is achieved or the three years regulatory period is elapsed, which happens first. The*





GoE/Grid Commitments in the Scheme

- *GoE as committed itself to set the necessary regulations for public land allocation for projects, which are in need for this, through usufruct rights covering the PPA lifetime.*
- *GoE has committed itself to issue the necessary sovereign guarantees for projects above 20 MW.*
- *The grid, either transmission or distribution depending on the case, is committed to offer priority on dispatch for renewable energy, and offers PPA based on take or pay.*





Tariff for Solar Energy

- The tariff structure for the PV is flat rate and for 25 years
- It has been classified as follows:

- **Installations connected to the low voltage:**

- Residential 84.8 pt/kWh*
- Other than residential and up to 200 kW 90.1 pt/kWh*
- From 200 kW up to 500 kW 97.3 pt/kWh**

- **Installations connected to the medium voltage**

- From 500 kW up to 20 MW 13.6 US\$/kWh
(equivalent to 97.3 pt/kWh)***

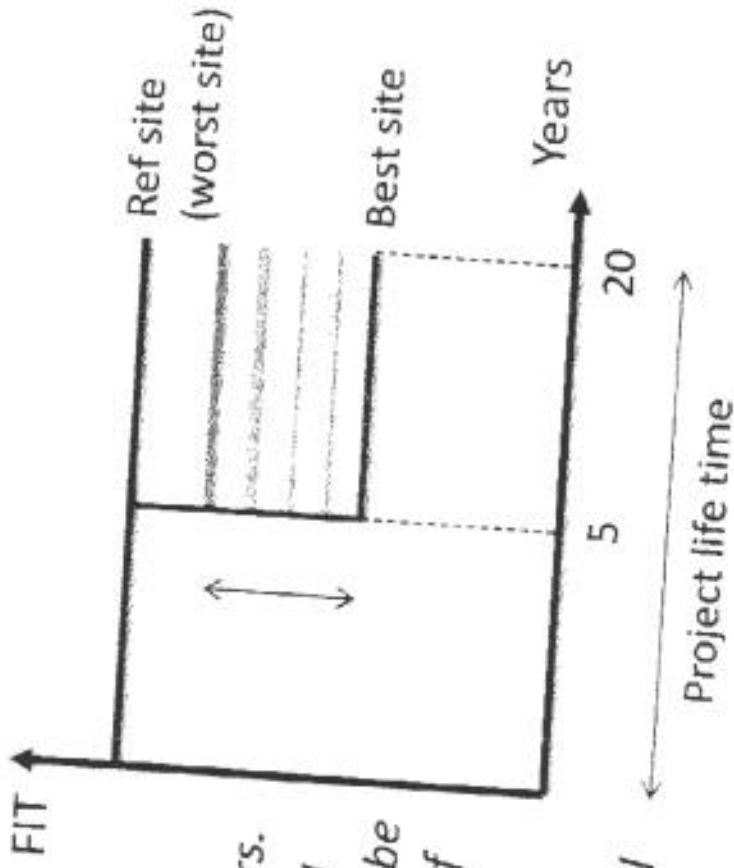
- **Installations connected to the high voltage**

- From 20 MW up to 50 MW 14.34 US\$/kWh
(equivalent to 102.5 pt/kWh)***

* based on soft loans of 4% interest rate made available by MoF
 ** based on soft loans of 8% interest rate made available by MoF
 *** Exchange rate for US\$ = 7.15 EGP
 Installations from 500 kW and above including both the medium and high voltage connected installations, are defined considering international financial terms.
 Although payment will be offered in local currency, the Government of Egypt will bear the exchange rate risk.



Tariff for Wind Energy



- For wind energy the tariff structure is two times blocks tariff of a total lifetime 20 years.
- The value of the first block will be fixed for all sites, which will be for five years, while the value of the second block will be varied according to the site specifics.
- Site has been defined by the full operating hours.





Wind Tariff

Full Operating Hours	Tariff during the first 5 years		Tariff During the second 15 years	
	US\$/kWh	Equiv. P¢/kWh**	US\$/kWh	Equiv. P¢/kWh**
2500			11.48	82.08
2600			10.56	75.53
2700	11.48	82.08	9.71	69.46
2800			8.93	63.83
2900			8.19	58.58
3000			7.15	53.68
3100			8.93	63.82
3200			8.33	59.53
3300			7.76	55.49
3400			7.23	51.70
3500	9.57	68.4	6.73	48.12
3600			6.26	44.73
3700			5.81	41.54
3800			5.39	38.51
3900			4.98	35.6
4000			4.5	32.90

** Based on exchange rate of 7.15 EGP/US\$
 The same payment terms for PV are valid for the wind projects.



Execution of the Projects

- *A full regulatory scheme has been set, This includes:*
 - *Applications and projects implementation considering one stop shop facility.*
 - *Payments, Settlements and GoO*
 - *Soft financing scheme from MoF*
- *The one stop shop includes the department of renewable energy and energy efficiency in each distribution company for projects below 500 kW.*
- *The application dossier and its contents for these projects will made available by the distribution companies through these OSS.*
- *For projects above 500 kW for both solar and wind the focal point will be the Egyptian Electric Utility and Consumer Protection Regulatory Agency, as these projects should be granted a licence*



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