

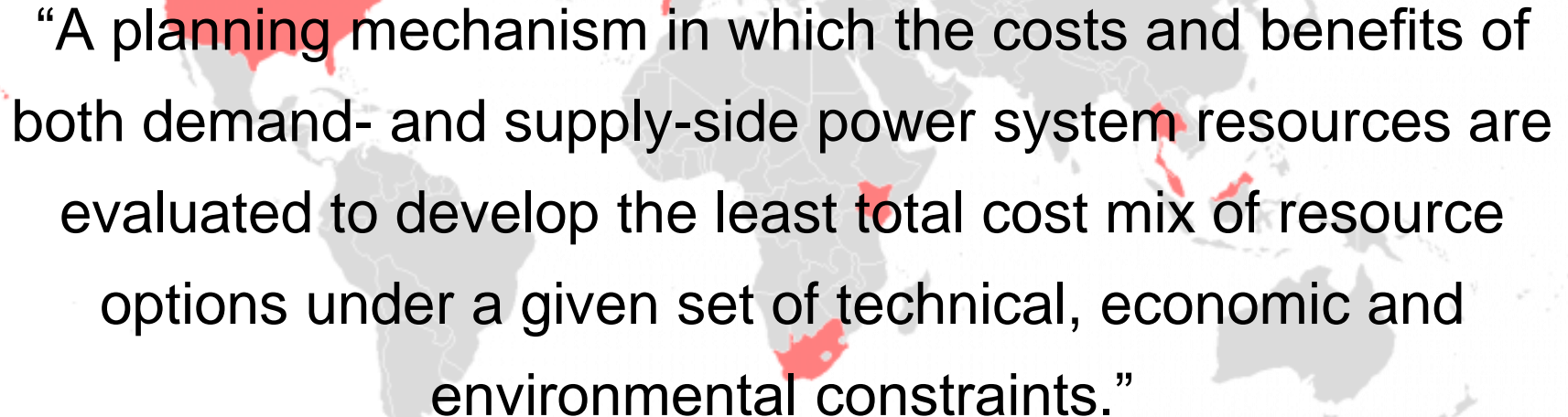
Scaling Up Variable Renewable Power

- Factors for Successful Long-term Power Planning

Abu Dhabi, 17 January 2017

Dennis Volk – IRENA Programme Officer

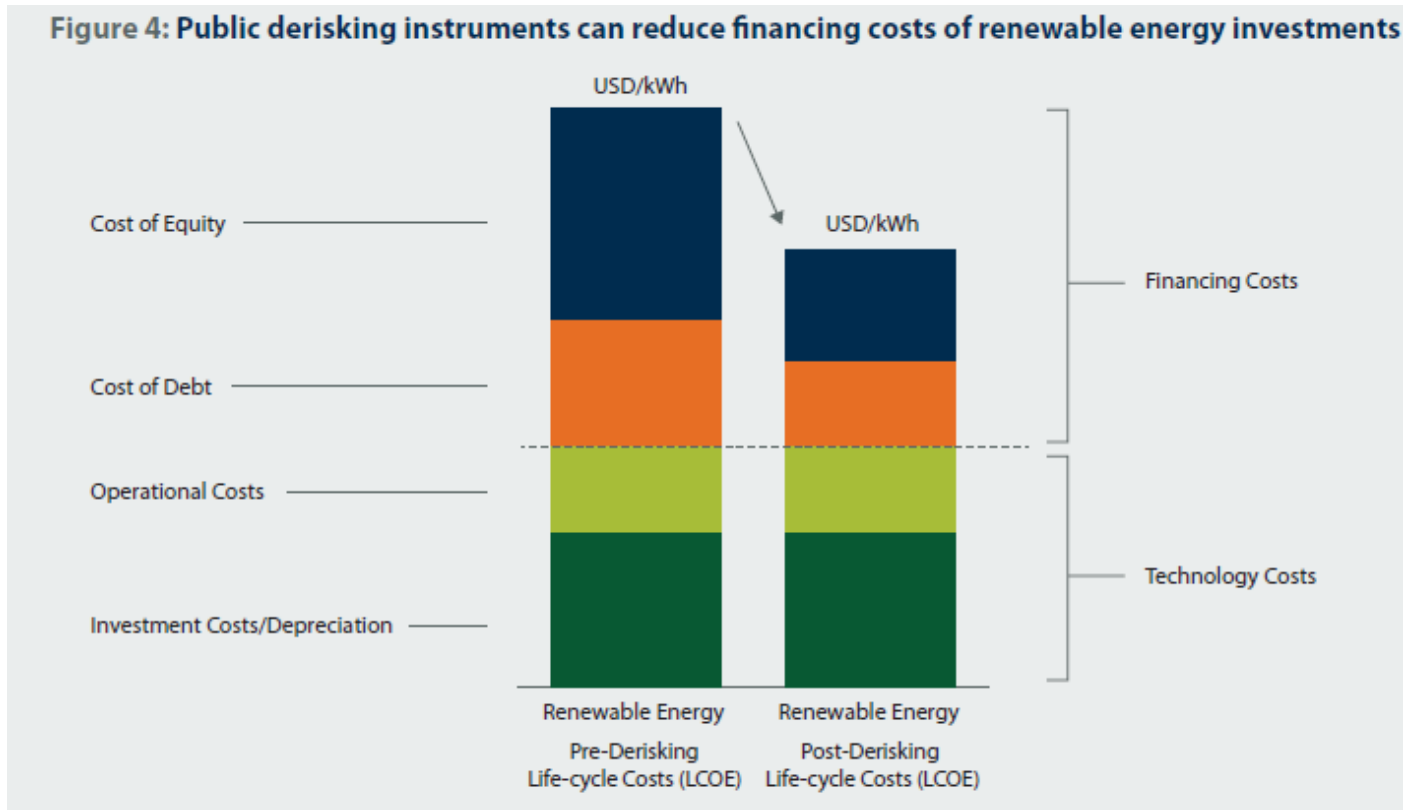
Enhancing the development of IRPs and implementation;
focus on renewables



“A planning mechanism in which the costs and benefits of both demand- and supply-side power system resources are evaluated to develop the least total cost mix of resource options under a given set of technical, economic and environmental constraints.”

"Even a bad plan is better than no plan."

'Expert - World Bank'



Two ways for 'de-risking' investments

1. Risk transfer (eg. IRENA Project Facilitation Platform)
2. In-country risk mitigation (Advisory Services)

- Global good practices
- Regional guidelines of good practice in SADC region
- Recommendation for SAPP planning processes
- Namibia and Zimbabwe as national pilots

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- Lessons learned from global good practices – or:

‘How to turn a bad plan into a successful plan – and why it matters for government?’
 - Desk research, interviews, workshops
 - Regional guidelines, recommendations and pilots under development
 - Most interviews completed, workshop ahead (March, Zimbabwe)

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- Strong role for government needed in case ‘risks’ are approved by govt. and allocated to consumers/society
 - VIU; Single Buyer; Capacity arrangements in wholesale markets; Grid Infrastructure
 - Theory and practice suggests economic superiority of competitive generation investment

Key planning factors

Various factors can enhance likelihood of success

SOUND PLANNING PROCESSES

- PLANNING ENTITY
- OBJECTIVES
- FREQUENCY
- STAKEHOLDERS
- DATA
- LOAD FORECASTS
- PORTFOLIO
- RELIABILITY, RISKS, SENSITIVITY
- ...

EFFECTIVE REGULATORY OVERSIGHT

- PROCESSES, NOT OUTCOMES
- ROLE CLARITY
- LEGAL FOUNDATION
- CAPACITY
- STAKEHOLDER INVOLVEMENT
- REVIEW
- IMPLEMENTATION

Next project steps

- Testing workshop
 - Zimbabwe, March 2017
- Reporting to SADC Energy Ministerial (April/May 2017)
- Close of project phase and reporting
 - Global, regional and national reports
 - Identification of institutional capacity requirements in SADC region, incl. national pilots

**For general questions and project implementation
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