



OVERVIEW OF THE DRAFT NATIONAL ENERGY POLICY (2016)

PRESENTED AT CLEANER COOKING CAMP (2016),
SOLFARM, LILONGWE

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Ministry of Natural Resources, Energy and Mining

INTRODUCTION

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- ❑ Government is reviewing the 2003 National Energy Policy
- ❑ The process is led by a Consultant, Price Waterhouse Coopers
- ❑ PwC is working with a Task Force comprising MNREM, OPC (Policy Section), Ministry of Finance, Economic Planning and Development, MERA, NOCMA and MCA - Malawi
- ❑ The process started in Feb 2015 and is expected to be completed by end April, 2016.

RATIONALE FOR REVIEW OF NEP (2003)

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1. The 2003 NEP had a number of shortfalls or challenges which needed to be rectified
2. To align the 2016 NEP with MGDS II, Sustainable Development Goals and Sustainable Energy for All Initiative
3. To factor in public sector reforms
4. The 2003 NEP had outlived its 5 - year life span

BROAD OUTCOMES OF 2016 NATIONAL ENERGY POLICY

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1. An energy sector that is based on diversified energy sources
2. A well developed and efficiently managed energy sector
3. An Energy sector that promotes and supplies modern and sustainable energy services for driving the country's economic growth
4. An Energy sector that promotes and results in a high standard of living for all men and women in Malawi, and
5. Access to clean and sustainable energy for all people.

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CATEGORIZATION OF ENERGY SOURCES

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1. Electricity from Non-Renewable Sources
2. Electricity from Renewable Sources
3. Electricity from Nuclear Energy
4. Biomass
5. Petroleum Fuels
6. Biofuels
7. Liquefied Petroleum Gas (LPG), Biogas and Natural Gas (NG)
8. Coal

OBJECTIVES OF 2016 NATIONAL ENERGY POLICY

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1. Electricity from Non-Renewable Sources

To strengthen the Electricity Supply Industry and make it more efficient and capable of providing an adequate, affordable and reliable electricity supply which will enable industrialization, rural transformation, sustainable economic development and wealth creation, as well as regional electricity trading.

2. Electricity from Renewable Sources

To ensure the establishment of a vibrant, reliable, incentivized and sustainable private sector driven Renewable Energy Technology industry.

3. Petroleum Fuels

To ensure the country has adequate production, supplies and stocks of petroleum fuels at all times, complemented with biofuels at affordable prices

4. Liquefied Petroleum Gas (LPG), Biogas and Natural Gas (NG)

To ensure availability of LPG, biogas and natural gas in sufficient quantities at affordable prices for industrial and domestic purposes and enable households and institutions move away from biomass to LPG, biogas and natural gas as fuel for cooking and other purposes.

Objectives of 2016 National Energy Policy Cont...

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5.Coal

To promote a coal supply industry that has broad private sector participation and that competes favorably with those in neighboring countries but using technologies that eliminate or greatly reduce harmful emissions.

6.Biomass

To ensure biomass is sustainably used and carbon emissions are reduced through the use of energy efficient technologies.

Objectives of 2016 National Energy Policy Cont...

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7. Social & Gender

To promote energy programming, budgeting and monitoring that routinely addresses all aspects of social, gender and economic development in energy programmes and services.

OVERALL GOAL OF THE POLICY

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‘Access to affordable, reliable, sustainable, efficient and modern energy for all Malawians by 2030.’

KEY ISSUES IN THE DRAFT REVISED POLICY

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1. Power Market Restructuring Policy
2. Fuel Importation Policy.

POWER MARKET RESTRUCTURING

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- Generation Unit in ESCOM Ltd will be carved out to form a new public company responsible for generation of electricity (to be known as Genco)
- The residual ESCOM will be responsible for transmission and distribution of power
- A Single Buyer and System and Market Operator will be formed in the residual ESCOM

Rationale for Power Market Restructuring

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1. To enable the restructuring of ESCOM Ltd
2. To allow private sector participation in the electricity sector

To achieve these, there is need to amend the Electricity Act of 2004 and unfreeze Sections that were frozen

FUEL IMPORTATION POLICY

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- Government wants to make National Oil Company of Malawi (NOCMA) the major importer of petroleum products into the country
- The 60-million strategic fuel reserves constructed by Government in Blantyre, Lilongwe and Mzuzu will be used as inland dry ports for petroleum products

Rationale for Fuel Importation Policy

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- ❑ To enhance security of supply of petroleum products
- ❑ To address the issue of forex scarcity for purchase of petroleum products
- ❑ To meet the recommendation for fuel storage capacity for land-locked countries like Malawi

OTHER ISSUES IN THE DRAFT 2016 NATIONAL ENERGY POLICY

- ❑ The Policy emphasises private sector participation in the energy sector and provides a conducive environment for such participation in form of direct investment, public private partnerships (PPPs), Independent Power Producers (IPPs) etc.
- ❑ 2016 NEP emphasises on sustainable, reliable and clean energy which is accessible to all.
- ❑ Energy efficiency is another priority area of the revised policy.

Other issues in the Draft 2016 National Energy Policy Cont...

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- ❑ Modernisation of household energy services including promotion of alternative energy sources
- ❑ There is a call for decentralisation of the Department of Energy Affairs
- ❑ Regional integration and international cooperation i.e. interconnection with SAPP and EAPP
- ❑ Energy pricing issues

Other issues in the Draft 2016 National Energy Policy Cont...

- ❑ It recognises the importance of security of energy supply systems e.g. diversification of power generation sources and location.
- ❑ Mitigating environmental, safety and health impacts of energy production and utilization is a key part of the policy.
- ❑ Draft NEP 2016 pays special attention to social and gender issues.

DRAFT NEP 2016 POLICY STATEMENTS ON COOKSTOVES

- 1. GoM shall build strong partnerships with the private sector and NGOs to promote manufacturing, distribution, use and financing of improved cook stoves, brick kilns, charcoal kilns and biomass briquettes.**
- 2. GoM shall intensify training and nationwide promotional activities for improved cook stoves, brick kilns, charcoal kilns, and biomass briquettes**
- 3. GoM shall promote the certification and labelling of all energy efficient commercial cook stoves that are sold as commercial products on the market**

Statement 1: GoM shall build strong partnerships with the private sector and NGOs to promote manufacturing, distribution, use and financing of improved cook stoves, brick kilns, charcoal kilns and biomass briquettes.

Objective	Strategy	Timeframe
To reduce consumption of firewood and charcoal and reduce carbon emissions	Encouraging microfinance institutions to develop well targeted financing schemes for local groups that design or manufacture commercial cook stoves	On-going
	Promoting incentives to NGOs to increase the uptake of modern biomass technologies	On-going
	Introducing incentives for the growth of industries in manufacturing and distribution of improved cook stoves, brick kilns, charcoal kilns and biomass briquettes	2017
	Establishing Energy Officers in all districts to coordinate energy activities, including biomass	2017-2022

Statement 2: GoM shall intensify training and nationwide promotional activities for improved cook stoves, brick kilns, charcoal kilns, and biomass briquettes

Objective	Strategy	Timeframe
Increase uptake of improved cook stoves, brick kilns, charcoal kilns and biomass briquettes	Building and strengthening capacity in new biomass technologies	On-going
	Increasing public knowledge and utilization of improved biomass technologies and their economic opportunities	On-going
	Developing and implementing a biomass strategy	2016

Statement 3: GoM shall promote the certification and labeling of all energy efficient commercial cook stoves that are sold as commercial products on the market

Objective	Strategy	Timeframe
To ensure that consumers are using energy efficient cook stoves of high standard	Developing and enforcing standards on cook stoves sold as commercial products	2017 for standards;

PROGRESS OF THE REVIEW

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- Draft Policy in place
- Draft Policy to be taken for national validation by mid April, 2016
- Expected to be approved by end April, 2016

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Thanks for your listening

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