

RENEWABLE ENERGY (AMENDMENT) ACT, 2020 (ACT 1045)

ARRANGEMENT OF SECTIONS

Section

1. Section 25 of Act 832 amended
2. Section 26 of Act 832 amended
3. Sections 27 to 29 of Act 832 repealed
4. Section 30A inserted
5. Section 32 of Act 832 amended
6. Section 49 of Act 832 amended
7. Section 51 of Act 832 amended
8. Section 53 of Act 832 amended



REPUBLIC OF GHANA

**THE ONE THOUSAND AND FORTY-FIFTH
ACT
OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED
RENEWABLE ENERGY (AMENDMENT) ACT, 2020**

AN ACT to amend the Renewable Energy Act, 2011 (Act 832) to establish a competitive procurement scheme and a net-metering scheme in respect of electricity generated from a renewable energy source, empower the Minister to designate a public entity to perform specific functions in the area of renewable energy and other clean energy alternatives and provide for related matters.

DATE OF ASSENT: 29th December, 2020.

PASSED by Parliament and assented to by the President

Section 1—Section 25 of Act 832 amended

The Renewable Energy Act, 2011 (Act 832), referred to in this Act as the "principal enactment", is amended by the substitution for section 25, of

"Competitive procurement scheme

25. (1) There is established by this Act, a competitive procurement scheme for the purpose of attracting a competitive market rate for electricity generated from a renewable energy source.

(2) The competitive procurement scheme shall consist of

- (a) a tendering process; and
- (b) an auction scheme.

(3) The Commission shall, in consultation with the Public Utilities Regulatory Commission, determine targets as part of the annual energy supply and demand plans.

(4) Electricity procured from a wholesale supplier shall be procured in accordance with the annual energy supply and demand plans and subsection (2).

(5) A public utility shall not negotiate for a Power Purchase Agreement with a generator of electricity or contract power for electricity generated from a renewable energy source unless the contracted power has gone through an open competitive and transparent procurement process.

(6) A public utility that contravenes subsection

(5) commits an offence and is liable on summary conviction to a fine of not more than ten thousand penalty units."

Section 2—Section 26 of Act 832 amended

The principal enactment is amended by the substitution for section 26, of

"Renewable energy purchase obligation

26. (1) An electricity distribution utility shall procure electricity from a renewable energy source from a consumer generator in accordance with section 30A.

(2) The Public Utilities Regulatory Commission shall, in consultation with the Commission and the distribution utilities, determine the price at which a distribution utility shall procure electricity from a consumer generator under a net metering scheme at any specific time.

(3) A fossil fuel based wholesale electricity supplier, a fossil fuel producer and any other company that contributes to greenhouse gas emission shall. invest in a non-utility scale renewable energy to offset the greenhouse gas emission and mitigate the impact of climate change.

(4) The Board shall, in consultation with—

- (a) the Public Utilities Regulatory Commission, and
- (b) the distribution utilities

determine the level of the non-utility scale renewable energy and technology required to be invested in under subsection (3).

(5) A bulk customer who holds a valid permit issued by the Commission shall purchase electricity from a renewable energy source at a price negotiated between the bulk customer and a wholesale supplier.

(6) The Public Utilities Regulatory Commission shall, in consultation with the Commission, specify the percentage level of electricity to be purchased by the bulk customer."

Section 3—Sections 27 to 29 of Act 832 repealed

The principal enactment is amended by the repeal of sections 27 to 29.

Section 4—Section 30A inserted

The principal enactment is amended by the insertion after section 30, of

"Net-metering scheme

30A. There is established by this Act, a net-metering scheme for the purpose of encouraging self-generation of electricity from a renewable energy source on a power cost reduction or a climate change mitigation basis and not for income generation."

Section 5—Section 32 of Act 832 amended

The principal enactment is amended in section 32 by the substitution for subsection (2), of

" (2) For the purposes of achieving the object of the Fund, moneys from the Fund shall be applied primarily to the provision of financial incentives, capital subsidies, production based subsidies and equity participation for

- (a) grid interactive renewable electricity;

- (b) mini-grid and off-grid renewable power systems for remote areas and islands;
- (c) renewable energy projects for non-electricity purposes; and
- (d) any other renewable energy activity that the Commission may determine."

Section 6—Section 49 of Act 832 amended

The principal enactment is amended in

- (a) section 49 by the insertion after subsection (1), of

"(1A) The Commission may, in consultation with the Public Utilities Regulatory Commission, issue guidelines for the

- (a) competitive procurement of power from a renewable energy source; and
- (b) implementation of the net-metering scheme.

(1B) The guidelines issued pursuant to paragraph (a) of subsection (1A) shall take into account

- (a) the technology being used in the renewable energy industry;
 - (b) the location of the generation facility;
 - (c) the operating norms for the specific technology under consideration; and
 - (d) maintaining a balance between the interest of the consumer, the public utilities and an investor.";
- and

- (b) subsection (4) of section 49 by the substitution for paragraph (a), of

"(a) imposition of an administrative penalty of three thousand penalty units;"

Section 7—Section 51 of Act 832 amended

The principal enactment is amended in section 51 by

- (a) the insertion after the definition for "Commission", of

"clean energy alternative" includes nuclear energy;"

- (b) the deletion of the definition for "feed-in-tariff";
- (c) the deletion of the definition for "feed-in-tariff scheme";
- (d) the substitution for the definition for "hydro", of

"hydro" means a water-based energy system which produces electricity;"

- (e) the insertion after the definition for "municipal waste", of

"net-metering" means a billing related mechanism designed to encourage an electricity consumer to supplement the purchase of electricity with grid-connected renewable energy self-generation;" and

- (f) the substitution for the definition for "woodfuel", of ""woodfuel" includes
 - (a) firewood;
 - (b) charcoal;
 - (c) briquette; and

(d) pellet."

Section 8—Section 53 of Act 832 amended

The principal enactment is amended by the substitution for section 53, of

"Transitional provisions

53. Until such time that a Renewable Energy Authority is established,

(a) the Renewable Energy Directorate under the Ministry of Energy shall oversee the implementation of renewable energy activities in the country; and

(b) the Minister may designate a public entity to

(i) execute renewable energy projects initiated by the State or in which the State has an interest;

(ii) manage the assets in the renewable energy sector on behalf of the State; and

(iii) undertake a renewable energy activity and any other clean energy alternative activity for the purpose of generating electric power."

Date of Gazette Notification: 29th December, 2020.