Local energy policies for district governments

case of

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Case for bottom-up policy making

- Highest need: rural areas
- Understand energy consumption: **heating** !
- Guiding principles:
  - **accessible**, not best solutions
  - **commercially** sustainable

Policy options for local governments

Small solutions: accessible to entrepreneurs (smaller risk)

Distributed: locally managed, locally appropriate

Diversified: “Match technology to need” (not exclusive to hydropower)

Basic heating options

small towns and rural areas

	Costs to household	Technology / approach	Cost per winter
Current (Rural Rasht)	2 tons of coal @ $70-150/t through winter	indoor coal burning	$140 - 300
EBRD clean scenario (sm all towns)	300 - 400 TJS per month x 4 months heating	electric boiler + grid & solar panel + apartment efficiency	$240 - 320
Coal-boiler scenario	?	coal boiler	**?**
Coal-CHP	?	coal > syngas heat + electricity	**?**

Financing challenge

	Technology / approach	Limiting factor	Outcome
No option		-	
EBRD heating	Electricity / Solar Residential efficiency	No Coal No rural areas	Too costly > no investment
		No coal	Focus on mini hydro
		No reputable companies	no investment
Gov UN DP, OSCE	micro/ mini hydro	poor winter performance	
		Not commercially viable	No replication

District government priorities

Champion public investment in coal-boilers
(strive for Combined Heat & Power)

Champion for commercialization of energy services

Where to start?

- Ask for **feasibility** technical assistance =>
- Negotiate **coal supply**
- Negotiate acceptable, locally-appropriate **tariffs**
- Negotiate with Chinese mining companies / China Exim Bank