

Rediscovering the Sun

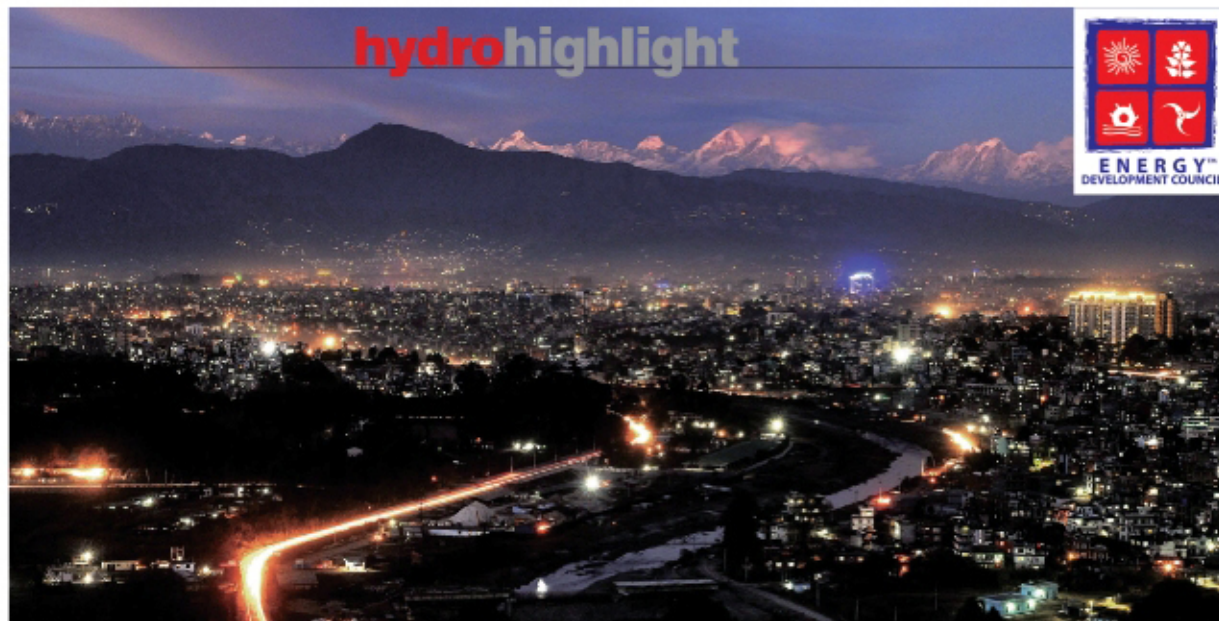
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These days I can't go out without everyone feeling sorry for me. You see, I work in the solar business, and life has not been good ever since Kulman Ghising (Managing Director, Nepal Electricity Authority) ended load shedding (forced blackouts).

Over the last few years, sales of 'solar package,' the typical combination solar panels, inverter and batteries, dominated the market. The Alternative Energy Promotion Centre (AEPCC) actively promoted such sales, offering subsidies and grants. Many solar companies, thus, reoriented from rural (which were about energy access) to urban (which were about electric reliability) markets. New large firms joined, emerging as stockists, wholesalers and retailers.

There was little innovation in product design or deployment models.

But business was good. In Kathmandu alone, approximately 100,000 households have installed such systems, totalling an estimated 20 MW. The market potential was easily in the hundreds of MWs. It was said that when mothers looked for husbands for their daughters, they wanted doctors, engineers or guys in the solar business.



File: Photo/THP

Then Ghising arrived and ended load shedding. And all hell broke loose.

An estimated Rs 150 crores of solar equipment are currently lying idle in warehouses across Nepal. Companies are struggling to avoid bankruptcies. In these hard times for the solar business, I'm just glad that I am already married because I probably would not be able to find a bride now.

The sudden challenge to the solar business (or for that matter, distributed renewable energy) isn't because Ghising ended load shedding. Instead, it represents a

colossal failure of Nepal's distributed renewable energy policy.

A correction first: it is wrong to say 'a colossal failure of Nepal's distributed renewable energy policy'. Nepal has never had a distributed renewable energy policy — it has only had a subsidy distribution policy.

Nepal's entire approach to renewable energy is around subsidy distribution. The subsidy distribution processes have created an eco-system that has favoured retail and trading, killing innovation in technology adoption, deployment, financing

and business models. The most worrisome part is that the distributed renewable energy sector in Nepal has degenerated into a complex web of political interference, patronage, corruption, deceit and conspiracy.

The tragedy in all this is that Nepalis have been robbed of two decades of the most promising innovations in distributed renewable energy technologies from around the world. We have a lot to catch up on.

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chance like we did the last one.

With the end of load shedding and more reliable electricity supply, the best time for solar is finally here. No country has been able to rapidly grow its solar (or distributed renewable energy) portfolio without reliable electricity on the grid. Nepal will be no exception.

Thus far, we have been solving the grid supply problem. We haven't really had a distributed renewable energy expansion strategy. Now, with reliable grid electricity, we finally have the environment for rapid expansion of distributed renewable energy.

We should use this opportunity to explore grid connected distributed renewable energy, particularly roof-top solar. We can't just fixate on net metering — we also need to explore other innovative methods for integrating distributed renewable energy sources within the energy mix.

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make the grid more robust.

We should shift our focus from piloting technology to piloting implementation approaches, particularly around financing and business models.

We should require AEPCC to change from being a Santa Claus that happily hands out subsidies to being an enabler and manager of a truly distributed renewable energy market.

Ghising may have announced that he ended load shedding in some places. But with distributed renewable energy, he could really end load shedding all over Nepal.

For that, Nepal's distributed renewable energy sector needs to step up and lead the way.



The author is the Vice Chairperson of EDC