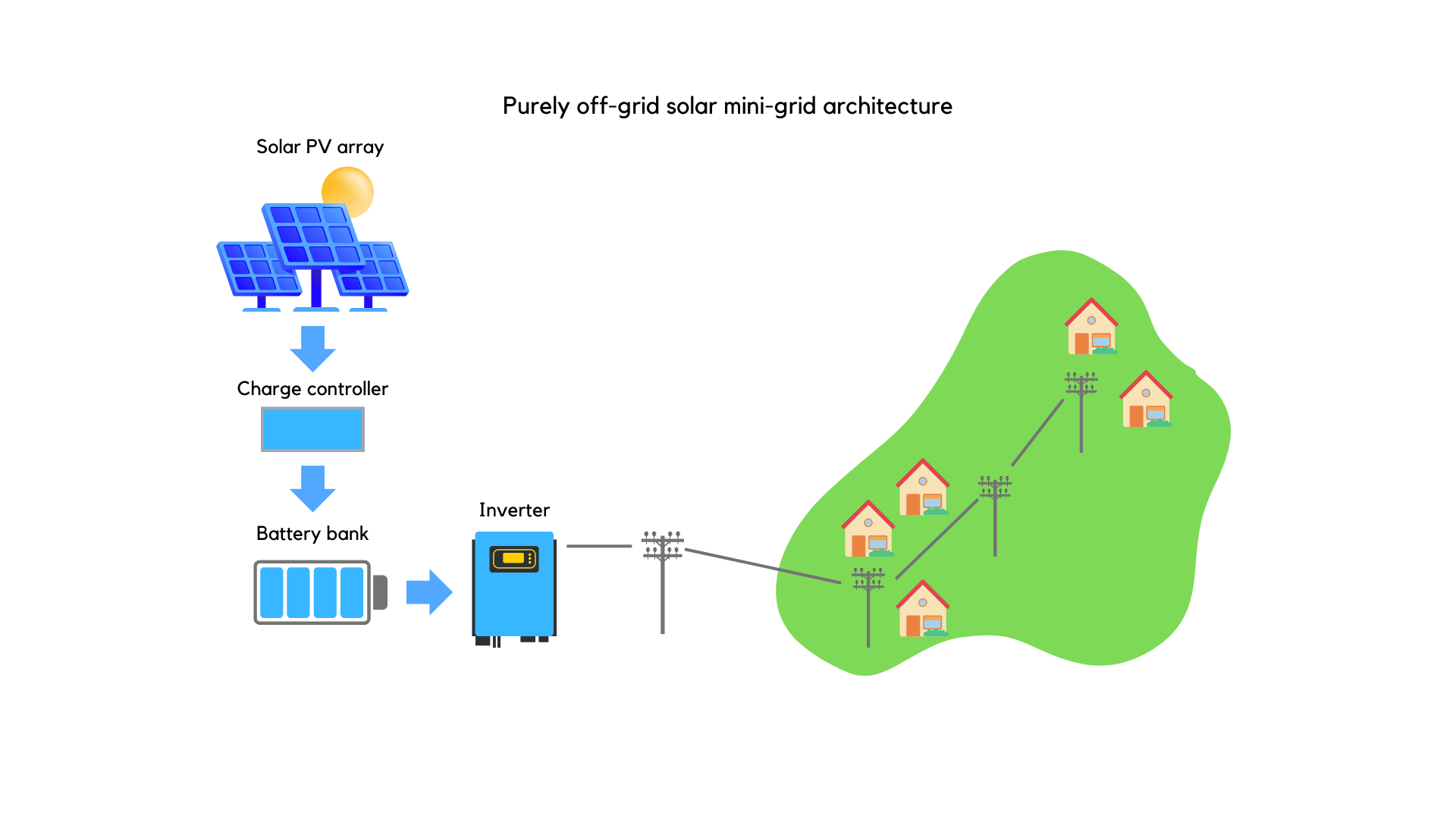
## **Leaflet of eligibility criteria – Solar mini-grid**



# Technology

The government of Nepal has been promoting solar mini-grids in regions with no electricity access and where solar mini-grids are the best solution for electrification. For example, solar mini-grid can contribute to last-mile electrification where national grid access is not foreseen to be connected soon or construction of national grid transmission and distribution may be uneconomical.

# Conditions

Within the subsidy modalities defined in the Renewable Energy Subsidy Policy 2078 B.S., solar mini-grids can be implemented in two modalities:

**Model 1:** For system capacity up to 250kW, local government can solely apply.

**Model 2:** For system capacity up to 100kW implemented as an Energy Service Company (ESCO) model, applications can come from private companies, public private partnerships (PPP), cooperatives, or a community.

**Model 1**

Areas with no electricity access

Local government

Up to 250kW

Up to 90% subsidy from AEPC, remaining from owner

Condition

Ownership

Capacity

Subsidy

**Model 2**

Areas with no electricity access or, no other mini-grid projects

Private, PPP, cooperative, community

Up to 100kW

Up to 60% subsidy from AEPC, remaining from owner

Condition

Ownership

Capacity

Subsidy

# What is an ESCO?

An Energy Service Company (ESCO) is a specialized entity that provides comprehensive energy solutions, including energy efficiency improvements, renewable energy installations, and energy management services. The three main characteristics of an ESCO are:

* ESCOs guarantee energy savings and/or provision of the same level of energy service at a lower cost. A performance guarantee can take several forms. It can revolve around the actual flow of energy savings from a project that will be sufficient to repay monthly debt service costs, or that the same level of energy service is provided for less money;
* The remuneration of ESCOs is directly tied to the energy savings achieved;
* ESCOs can finance the operation of an energy system by providing a savings guarantee.

# Applicants

**Model 1**

* Local government

**Model 2 (ESCO)**

* Private company
* Public-private partnership (PPP)
* Cooperative
* Community

# Documents required

**Model 1**

|  |  |
| --- | --- |
|  | Filled out demand/pre-feasibility form |
|  | Letter from local government assuring land and equity contribution |

**Model 2**

|  |  |
| --- | --- |
|  | Filled out demand/pre-feasibility form |
|  | Letter from applicants assuring land and equity contribution |
|  | Pre-feasibility report |