The statement delivered at Second session of the Committee on Energy
9 to 11 October 2019

Introducing Iran

- Iran is one of the largest countries in the southwest Asia and Middle East region, with an area of about 1.6 million square kilometers and a population of about 80 million.
- Iran has a significant share of energy production, accounting for 2.7% of the world's oil and gas reserves (16% of gas and 9% of oil reserves).
- Iran is in the Middle East and 14th place in the world with 51000 MW power plant capacity.
- Iran is in the world's list of installed capacity of thermal power plants.
- Iran is in the world's 6th rank in Asia and second in the Middle East with over 12000 MW of hydro power capacity.

A total of 30GW Potential Assessment for Wind Resources

- Geothermal Resource Assessment
  - with 15 potential geothermal regions including Meshkinshahr, with an Electrical capacity of 250 MW and Thermal capacity of 1250 MW.

Renewable Energy Targets

- A minimum of 5000 MW renewable development by 2021 (The 6th Development Plan Law).
- A more ambitious target may be set by 2030.
- The above-mentioned targets to be fulfilled by the interactive private sector participation through the Feed-in-Tariff system (A 20-years PPA).
Policy Related to "Renewable Energy" in Iran

Law on Protection of Power Industry Article 5 (Receive 10% of electricity bills as electricity charges)

The law on the purchase of electricity from renewable and clean power plants Article 61 of the executive regulations of the law modifying the patterns of energy consumption.

Law on Removing Competitive Production Barriers and Promoting the Financial System of the Country, Section B, Article 12

Executive process of Clean and Renewable Energy Power Plants Investment

Steps of implementing projects

1. Registration and acquiring Establishment License from SATBA
2. Gathering three permissions including:
   - Grid Connection Permission from the Local Electricity Companies or TAVANIR
   - Environmental Permission from Iran's Environmental Protection Organization (IPEG)
   - State-Owned Land Use Permission (from the governmental lands authorities (It is not the case for private lands)
3. Signing Power Purchase Agreements (PPA) contract with SATBA
4. Construction of the power plant. SATBA will generally monitor and supervise the activities in this step
5. Operation of the Power Plant. SATBA will coordinate the grid connection tests & inspections via Iran Grid Management Company (IGMC) to start the operation period, and will also pay the monthly invoices.

Feed-in-Tariffs on different Technologies

<table>
<thead>
<tr>
<th>Power Plant Type</th>
<th>Tariff (Rials/kWh)</th>
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<tbody>
<tr>
<td>1. Biomass</td>
<td>32400</td>
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<tr>
<td>2. Wind farm</td>
<td>32400</td>
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<tr>
<td>3. Solar farm</td>
<td>32400</td>
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<tr>
<td>4. Biogas (including construction and equipment)</td>
<td>32400</td>
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<tr>
<td>5. Waste from industrial processes</td>
<td>32400</td>
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<tr>
<td>6. biomass based</td>
<td>32400</td>
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<tr>
<td>7. Feed-in tariffs</td>
<td>32400</td>
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<tr>
<td>8. Bio-gas</td>
<td>32400</td>
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</tbody>
</table>

More Points on PPA

- In any time during and after the PPA period, the power plants are permitted to sell their electricity to the Electricity Market, to a third party or even export from Iran.
- If the payments by SATBA are delayed, SATBA will pay a delayed payment penalty based on inflation rate announced by the Central Bank.
- SATBA as the "PPA buyer", should buy the contracted amount of electricity generated. But, if the National Grid was not prepared to take the electricity, SATBA will pay the price to the seller.
- As soon as the construction phase completed, "Investor" is free to transfer the property of its own power plant.
- MOE’s policy is to reduce the tariffs in a smooth manner in proportion with an increase in installed capacities. However, this does not affect the already signed PPAs.

Export of renewable electricity to abroad

- Ministry of Energy has endorsed the goal of exporting electricity to neighboring countries in order to encourage domestic and foreign investors to generate solar and wind power.
- Renewable Energy and Energy Efficiency Organization (SATBA) plays a facilitating role in this regard.
- Investors are requested to pay only the cost of electricity transit to Ministry of Energy.
- SATBA will issue RIE construction licenses for applicants in a week time to export electricity.