



Reform of the Electricity Sector to support Climate Policy in Grenada (G-RESCP)



Challenge

As most small island developing states Grenada mainly depends on fossil fuels for power generation. This dependency leads to high and volatile electricity prices. In order to reduce this dependency as well as Grenada's carbon footprint the Government of Grenada started a reform of the electricity sector to increase the use of renewable energies and open the market for domestic and foreign investments.

Objective

The overarching goal of the project "Reform of the Electricity Sector to support Climate Policy in Grenada" (G-RESCP) is to support the Government of Grenada in restructuring the energy sector and thereby enable the Government to achieve the objectives of their climate policy. New legal and regulatory frameworks shall help to promote energy efficiency and power generation with renewable energy sources.

Partners

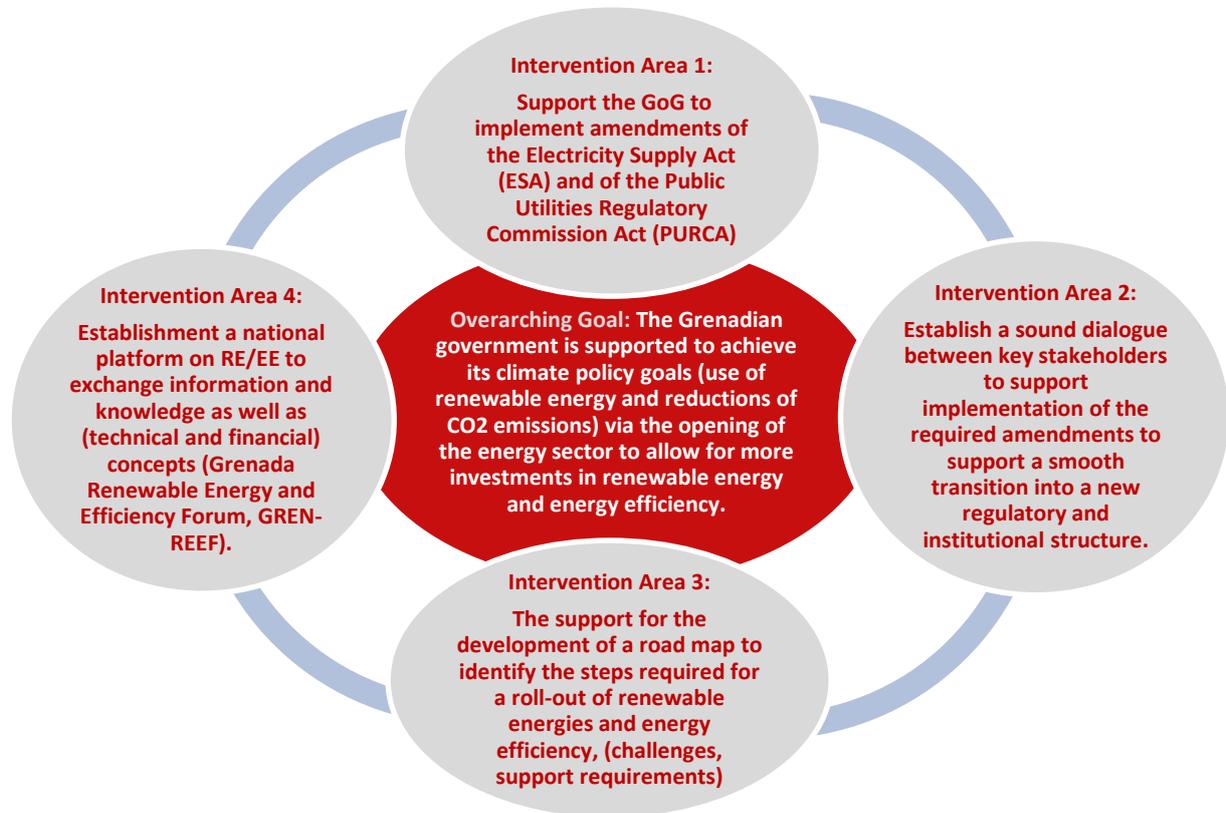
The Government of Grenada and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) are jointly undertaking the Pilot Programme G-RESCP. G-RESCP is funded with 1.395 Million Euro by the BMUB under its International Climate Initiative (IKI) and it is being implemented jointly by the Ministry of Finance and Energy and GIZ. Target groups of the project are: the Government of Grenada, including its sectoral agencies and commission, the national electricity utility GRENLEC as well as electricity customers (tourism facilities, private sector, communities and households).

Approach

The reform of the energy sector is based on the development of a new Electricity Supply Act and the introduction of a regulatory structure in the sector, in cooperation with the newly established *East Caribbean Energy Regulatory Authority (ECERA)*. GIZ supports the Grenadian Government regarding the evaluation of technical and legal details of the new law, subsequent technical and financial regulations for the electricity sector as well as the planned new institutional structure for regulating the sector. An important element of the reform is an intense dialogue between the Government of Grenada and all key stakeholders, and in particular with GRENLEC. Comprehensive communication



with the public should help to facilitate the implementation of this new legal framework and thereby supporting a smooth transition into a new regulatory and institutional structure. These legislative changes are planned to introduce competition in generation and support renewable energy investment in Grenada's electricity sector. The G-RESCP project will further support strategic planning for the electricity sector, including for the introduction of renewables and energy efficiency, as well as the development of a platform for exchange on renewable energy and energy efficiency.



Achievements

Through the G-RESCP project substantial support for the electricity sector reform has been given to the Government. This included scrutiny of draft acts and regulations, technical support for the consultation process, backstopping for parliament discussions and assistance in public relations. Furthermore the project provided capacity building for energy officers, assistance in the negotiations with the utility and support in the coordination of the various projects in the energy sector. In addition innovative small scale renewable energy pilot projects (biogas and micro hydropower) have been initiated through G-RESCP.

Contact

Government of Grenada:

Mike James Sylvester
Permanent Secretary (Acting)
Ministry of Finance and Energy
Tel: +1- (473) 440-2731 / 2732
Email: finance@gov.gd

GIZ:

Dieter Rothenberger
Head of Project
Ministerial Complex, Botanical Gardens
St. George's, Grenada
Tel: + 1-473-534-8000
Email: dieter.rothenberger@giz.de