

The Minister of Energy announced the guaranteed purchase price of renewable electricity

The new decree on the terms and rates of guaranteed purchase of renewable electricity was announced by the Minister of Energy. A 40 percent increase in the base rate for guaranteed purchase of electricity with a capacity of 10 MW, a change related to solar generators and the process of holding tenders for power plants with the capacity of 10 MW and above are among the most important issues of this decree.

According to the Public Relations and International Affairs Office of SATBA, based on paragraph (2) of the new decree of the Minister of Energy, concluding a contract for the guaranteed purchase of electricity from renewable electricity generation capacities with a maximum capacity of 10 MW, with a rate equivalent to 1.4 of the rates subject to Resolution dated 2019 and the conditions of paragraph (2) is unhindered.

According to the latest decree issued by the Minister of Energy, if the capacity of the power plant is less than (10) megawatt, SATBA is allowed to conclude a contract for the guaranteed purchase of electricity based on the figures Small hydropower (10 MW and less) in the following tables:

Row	Types of Power Plants		Guaranteed electricity purchase tariff (IRRs per kWh)
1	Biomass	Landfill	5670
2		Other biological (biochemical) processes, including: Anaerobic digestion	7350
3		All thermal processes (thermochemical) including: waste incineration, gasification and pyrolysis	7770
4	Wind farm (10 MW and less)		7644
5	Solar farm (10MW and less)		8918
6	Geothermal (including excavation and equipment)		8918
7	Electricity generation from waste heat recycling in industrial processes		5278
8	Small	Installation on the rivers	6916

	hydropower (10 MW and less)	Installation on the pipelines and side facility of dams	5915
9	Fuel cell systems		9004.8
10	Turbo expanders		2912

In order to overcome environmental problems in coastal provinces and mega cities, the base electricity tariff from biomass technology will be increased two times.

Pursuant to Note (2) of paragraph 2-1 of the decree of the Minister of Energy, the step related to solar generators with a capacity of 100 kW and less is changed to 200 kW and less.

In addition, according to this paragraph, the maximum cash payment of invoices in each period is proportionate with SATBA's allocated budget. Apparently, the payment of the remaining demand of the seller of renewable electricity will be conditional on receiving the difference between the obligatory and cost price from the government or obtaining other allocated sources such as saved fuel credits, financial bonds, treasury documents, etc. At the same time, the debts will be registered in the government debt and information management system and will be among the claims of the private sector from the government.

Another important point of this decree is clause 2-3, according to this clause, the amount of tariff for all power plants subject to this decree, except wind power plants, is subject to the application of a three-step reduction rate (after applying all coefficients) at the beginning of the eighth, twelfth and sixteenth years. This coefficient is equal to 60%. In the case of wind farms, the previous approvals will be followed.

It is worth mentioning that if the capacity of the power plant is more than ten (10) MW, SATBA is obliged to hold a tender for the purchase of renewable electricity in accordance with paragraph (1) of the mentioned decree. According to this paragraph, the purchase of electricity generated from renewable power plants is possible in the following two forms:

1. SATBA is obliged to hold a tender based on the tender mechanism used in the wholesale market and regardless of the construction site and the type of technology used in the generation of renewable electricity to purchase the guaranteed amount of kilowatt-hours of electricity, in this case the guaranteed purchase rate of electricity (per kilowatt-hour) of small-scale generators in the month leading up to the tender is plus 20% that is announced by Tavanir by the fifth of each month.

2. SATBA is allowed to hold a tender before the approval and implementation of the regulations for the delivery of the saved fuel to the investor. In this case, the tender rate ceiling is equal to the average weighted rates in the table above plus 20%.

Other conditions of each tender situation are described in the new resolution.