



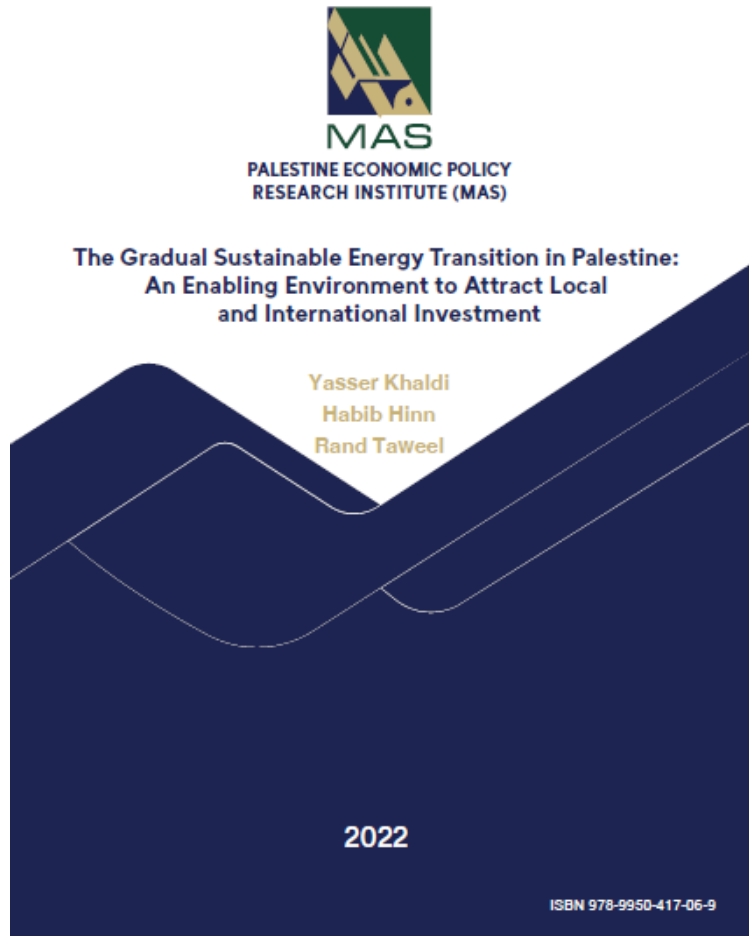
Recent Release

The Gradual Sustainable Energy Transition in Palestine: An Enabling Environment to Attract Local and International Investment”

Ramallah, 23 Sep 2022:

MAS released recently a study entitled “**The Gradual Sustainable Energy Transition in Palestine: An Enabling Environment to Attract Local and International Investment”**”

The study aims to identify and analyze the elements required to reach an environment conducive to encouraging and stimulating local and international investment in renewable energy projects in Palestine. The study concluded that the components of the investment environment in the Palestinian energy sector are incomplete. There are numerous geopolitical and internal factors that distance investors and independent energy producers from engaging in this sector, despite their willingness and financial capabilities.



The study also presented a set of recommendations for creating an enabling environment for the renewable energy sector:

- Strengthening and developing the electricity grid. The weakness of the grid, and the lack of sufficient information about it, constitute a major challenge for investors, weakening the planning process, especially in terms of determining locations for connecting solar systems with distribution grids.
- Establishing a fund to support the electricity sector’s infrastructure , while providing grants to finance projects that improve electricity grids, as well as building transmission lines



between generation stations and distribution networks. This enables renewable energy projects to discharge their production safely and efficiently.

- In the short term, instead of increasing the burden on public finances through incentives, guarantees and public investments, in light of the current budget deficit, the government can develop policies to direct grants and international support to providing competitive facilities for renewable energy projects. This includes green projects with financing programs and mechanisms, as well as grants to invest in improving the infrastructure needed to connect renewable energy systems.
- Reactivating long-term sovereign guarantees, while searching for alternative mechanisms in the transition phase, such as the World Bank's initiative to enhance the creditworthiness of the Palestinian Electricity Transmission Company (PETL).
- Implementing renewable energy strategies and policies adopted at the national level. There is a need to renew government support for renewable energy, and to promote and accelerate the achievement of the national target of 500 MW of renewable energy by 2030. The Palestinian government should also reconsider policies, tools and plans that can be adopted to stimulate investment in the renewable energy sector.
- Adopting unified technical and commercial standards for quality assurance in the renewable energy sector, with vigorous follow-up at the national level, in order to ensure compliance with these standards.
- Drafting of legislation - or instructions - requiring distribution agencies to indicate consumption patterns during the day at connection points across the company's network, in addition to sharing technical information with developers on the distribution network, available connection points for high-capacity solar systems.
- Determining and allocating lands near connection points for the purpose of constructing solar power plants. There is a need to direct relevant ministries and authorities towards cooperating with developers of solar energy projects, in order to allocate part of the country's land for the purposes of investing in renewable energy infrastructure at connection points.
- Unifying and adhering to the principles of commercial agreements between the public and private sectors, such as power purchase agreements. Distributing responsibilities and duties fairly among parties to the agreement, with guarantees for the following points. (1) Bearing legal and financial consequences, in the event of continued failure in the achievement of performance indicators and obligations under the agreement. (2) Legal and financial consequences for not receiving electricity produced from the plant without justification. (3) Protecting the agreement from changes in renewable energy laws in Palestine that may negatively affect the interests of parties to the agreement. (4) Agreement on sovereign guarantees from a government agency in accordance with Cabinet Resolution No. 11/2015.



- Establishing a committee to follow-up on the gradual transition to renewable energy, with the participation of concerned institutions from the private, public and civil sectors, in addition to donor countries and international development institutions. The goal is to agree on plausible paths for the transition to sustainable energy, to overcome the lack of communication and institutional trust, and to address common problems and ways to solve them, in addition to finding common ground between concerned institutions to exchange experience and further develop local knowledge.
- Establishing a strategic unit for renewable energy at the project level, to serve as a neutral unit to organize, monitor and accelerate public-private partnerships, especially in the stages of negotiation, contracting and implementation of renewable energy projects. A timetable must also be approved for compliance with legislation by distributors and other concerned institutions. Periodic meetings should be held to follow-up on performance in the transition to renewable energy sources, in addition to forming a team that resolves disputes such that they are quickly overcome.

To download the full study, [Click the Link.](#)