

Improving the public power supply with renewable energies

Electricity Distribution 4.0

Context

In the Peruvian energy sector, there are currently few incentives for using more energy from renewable sources. In addition, public utility companies lack the human and financial resources to implement the necessary modernisation measures. This leads to a poor power supply and restricts companies in terms of meeting future challenges.

Objective

By laying appropriate regulatory, institutional and technical foundations, public utilities can increase energy efficiency and integrate renewable energies. The population benefits from a safe, environmentally friendly and cost-effective power supply.

Title	Electricity Distribution 4.0
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Country	Perú
Partner and lead executing agency	Selected public energy utility companies, the Ministry of Energy and Mines MINEM, the regulatory authority OSINGMIN (Organismo Supervisor de la Inversión en Energía y Minería) and the state-owned umbrella company FONAFE (Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado).
Overall term	From 2019 to 2024



Electricity pylons in front of a large photovoltaic plant



Left: Two people chatting in a photovoltaic plant



Right: An employee checks the operation of distribution networks

Approach

The project supports state decision-makers in improving the legal and institutional framework conditions for expanding the use of renewable energies. In the process, it advises the ministries on investment guidelines and calculation methods for distribution network tariffs, as well as on renewable energies and energy efficiency. This enables them to achieve selected climate targets.

The project also advises three utility companies on preparing and implementing investment plans and developing new strategies. To this end, it is evaluating and implementing new pilot projects to test new business models that pinpoint alternative financing and investment opportunities. Here, the participants are also developing a technological roadmap for modernising distribution networks.

Moreover, an improved exchange of knowledge and information is intended to facilitate cooperation between utility companies and strengthen the industry. For this purpose, the project is supporting the state-owned umbrella company FONAFE in designing and developing exchange mechanisms.

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