

## Ngerulmud electricity regulations

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grid connection, relevant grid connection standards, net electricity metering regulations, procedures for approving or denying rate changes, and minimum requirements for Power Purchase Agreements with Independent Power Producers.

The objectives of this report are to: (1) Report to the Minister, the President, the Senate and the House of Delegates on the key energy metrics covered under the EMER Framework; and (2) Promote private sector investment in Palau's energy sector by providing a range of information for Independent Power Producers.

The key energy metrics of the EMER Framework are: (1) the Palau renewable energy target; (2) the Palau energy efficiency target; (3) FAESP energy security indicators; (4) Tourism marine vessel efficiency standards; and (5) the Government green fleet efficiency standards. [...]

Ngerulmud (Palauan pronunciation: [n̪ɤˈʔʉlmu] is the seat of government of the Republic of Palau, an island nation in the Pacific Ocean. It replaced Koror City as a capital in 2006. The settlement is located in the state of Melekeok on Babeldaob, the country's largest island, located 20 kilometers (12 miles) northeast of Koror City and 2 ...

Ngerulmud -- As the Senate Energy, Public Utilities, and Telecommunications (EPUT) Committee debates the legality of Palau's new tariff system, the House of Delegates passed an amendment ensuring the continuation of energy subsidy programs under the recently implemented Distributed Energy Rate (DER) system. This amendment replaces the outdated Automatic Fuel Price Adjustment Clause (AFPAC), aligning energy laws with regulatory changes made by the Palau Public Utilities Corporation (PPUC) and the Palau Energy and Water Administration (PEWA).

On May 14, 2024, PEWA proposed a significant overhaul of Palau's energy pricing structure, shifting from AFPAC to DER. President Surangel Whipps Jr. formalized these changes by signing new grid regulations on July 5, 2024, and the DER system officially took effect on October 1, 2024. The new tariff system aims to stabilize energy costs, but existing legal references to AFPAC in Section 22 of RPPL 11-37, which support water, wastewater, and lifeline subsidy programs, have left the subsidies in legal limbo.

The proposed amendment addresses this gap by replacing all AFPAC references with DER in Section 22 of RPPL 11-37. This update will preserve the legal foundation of key energy subsidy programs, safeguarding



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financial support for Palau's residents.

The amendment outlines a \$2.91 million allocation for Fiscal Year 2025 to fund PPUC's subsidy programs. This includes \$960,000 for water and wastewater, \$1.7 million for electricity, and \$250,000 for the Lifeline Subsidy Program. Water and wastewater subsidies will cover up to 2,500 gallons per month, while electricity subsidies will reduce DER rates by \$0.10 per kilowatt-hour for up to 500 kWh per residential customer per month.

Legislators stress that updating the law is crucial to prevent disruptions to these vital subsidy programs, which provide financial relief to residents facing rising utility costs. The amendment aims to ensure a smooth transition to the DER system without negatively affecting the financial assistance programs.

House Bill 11-154-16 passed its third reading on October 12, 2024, and will now move to the Senate for further deliberation. However, with ongoing debates between the Senate and PPUC over the new tariff system, the bill's future remains uncertain. (By: L.N. Reklai)

Phone: (+680) 488 3420/5788 Fax: (+680) 488 2732

Contact us for free full report

Web: <https://www.kary.com.pl/contact-us/>

Email: [energystorage2000@gmail.com](mailto:energystorage2000@gmail.com)

WhatsApp: 8613816583346

