Fact Sheet:
Key Levers to Upscale Rooftop Solar in Bangladesh

The six key levers to upscale rooftop solar sector in Bangladesh are: raising awareness, streamlining finance, policy and regulatory intervention, quality assurance, capacity development of key stakeholders and business models for utilities.

Business model:
New revenue stream for utilities

Raise awareness
of stakeholders on benefits of rooftop solar, policy changes

Streamlining finance:
Project preparatory scheme, risk mitigation measures and new long-term funding facilities

Capacity development
of major stakeholders

Policy and regulatory intervention:
Waive import duties on rooftop solar accessories, lift the 70% cap, ease the Letter of Credit opening process, reward excellence and innovation

Market:
Quality assurance of solar accessories, availability of sufficient testing labs and enhanced monitoring

While rooftop solar has struggled to gain traction in Bangladesh, a renewed focus and adding 2,000 megawatts can help the Bangladesh Power Development Board save up to Tk110.32 billion (US$1 billion) a year.

Shafiqul Alam
Lead Energy Analyst, IEEFA
Harnessing the untapped potential of rooftop solar energy in Bangladesh is achievable with a comprehensive plan to remove barriers to its expansion.

While the economic benefits of rooftop solar are clear, the sector is held back by lack of awareness, low confidence, perceived risks, high import duties and tight fiscal conditions.

Raising awareness
Sustainable and Renewable Energy Development Authority’s (SREDA) helpdesk shares information on request. But stakeholders are not fully aware of recent changes in interest rates, policies and regulations. Awareness raising events will help minimise information gap.

Streamlining finance
A credit risk guarantee scheme would minimise the risks of financial institutions lending for rooftop solar projects. Moreover, financial institutions should be equipped to meet the demand for incremental investment in the sector. They may explore funding sources, including multilateral agencies, international climate finance and the local bond market.

Policy and regulatory intervention
Import duties on solar panels and four accessories should be waived. These duties range from 11.2% to 58.6%. Like utility-scale solar projects, the government should give rooftop solar projects a complete duty waiver too.

Quality assurance
For rooftop solar expansion, the quality of accessories needs to be maintained. To instil confidence in consumers and investors alike, more testing labs and increasing market monitoring by the Bangladesh Standards and Testing Institute are needed.

Capacity development of key stakeholders
Stakeholders of the rooftop solar sector lack capacity in terms of personnel, quality assurance or project appraisal. SREDA should conduct targeted capacity development programmes and organise exposure visits to successful projects for stakeholders to help build their capacity.

Business models for utilities
Utilities need revenue streams to operate sustainably in the rooftop solar sector. Both utility- and third-party-owned business models can serve the purpose of revenue streams.

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