



Palau

Asia & Pacific

Ease of doing Solar classification



Influencer

Electricity Consumption in kWh/capita (2020)

Not available

Average PVout in kWh/kWp/day (2020)

4.0

Cumulative Solar Capacity in MW (2021)

1.7

Getting Electricity Score (2020)

54.9

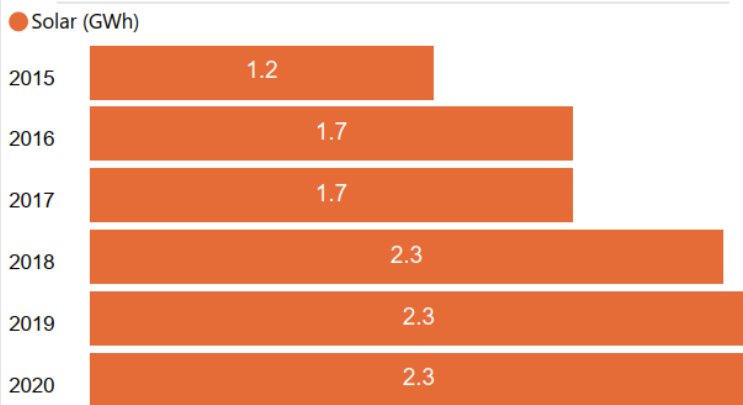
NDC Target by 2025 in % (base year 2005)

22.0

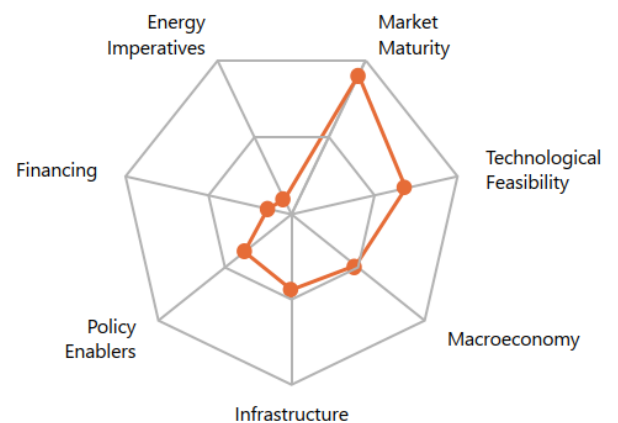
Human Development Index (2021)

0.8

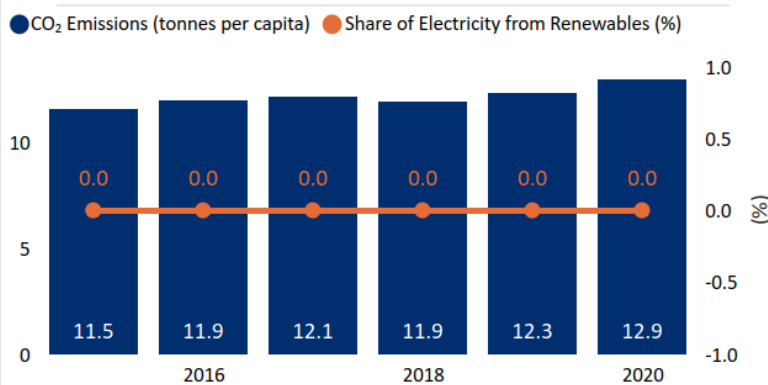
Renewable Energy Generation by Source



Performance against 7 Drivers



CO₂ Emissions vs Electricity share from Renewables

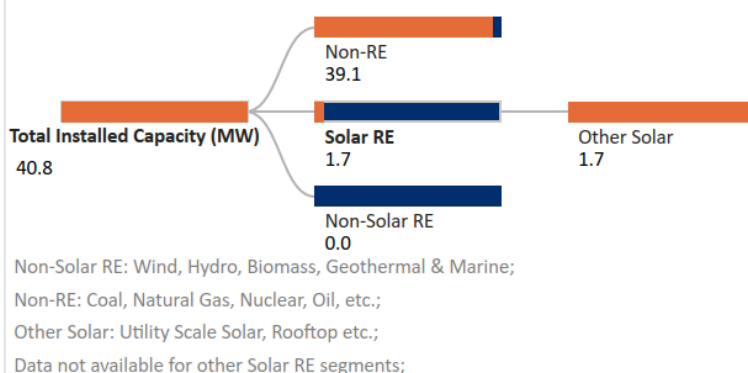


Fiscal Incentives & Public Financing for Renewables (2020)

Investment or production tax credits?
No

Public investment, loans, grants, capital subsidies or rebates?
No

Installed Capacity by Source (2019)



Support for Renewables (2020)

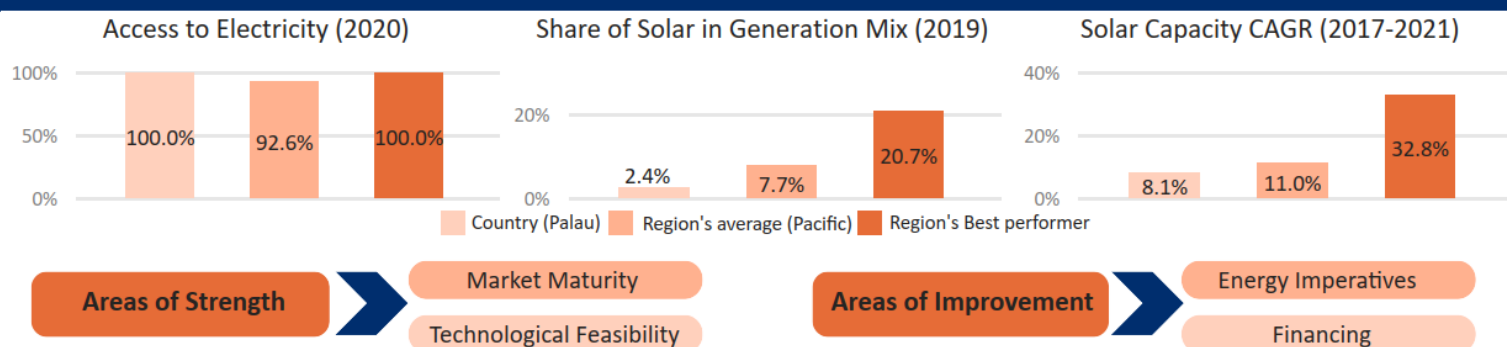
Feed-in-Tariffs for renewable energy supply to the grid?
No

Net metering/Gross metering policies and regulations?
No

Renewable Energy Certificates?
No

Renewable Purchase Obligation?
Yes

Country's regional performance and characteristics



Key Insights

Drivers

Insights



Macro-economy

- Palau is a middle-income country with a GDP per capita (PPP) of USD 15,145 in 2020.²
- Due to COVID-19 Pandemic, the GDP (Real) had declined by 8.9 % in 2020 and in 2021, the GDP further declined by 13.4%.³
- The inflation rate (CPI) of Palau has declined to 0.4% in 2021 from 0.7% levels in 2020.⁴
- The general government gross debt to GDP has decreased to 19.8% in 2021 from 21.6% levels in 2020.⁵



Policy enablers

- Palau has a policy on tax credits, feed-in-tariff, green public procurement, tax reduction and exemptions to facilitate RE in the country.⁶
- IRENA and Palau's government have come up with "Republic of Palau: Renewable Energy Roadmap 2022-2050" outlining country's ambition to attain an RE share of 92.1% in the generation mix.⁷



Technological Feasibility

- Palau receives high levels of solar irradiation (GHI) of 4.9 kWh/m²/day and specific yield 4.0 kWh/kWp/day indicating a high technical feasibility for solar in the country.⁸
- Palau has accelerated deployment of solar PV and battery storage systems (BESS) through a continuous patronage from the Palau Public Utilities Corporation (PPUC).⁹



Market Maturity

- 100% of the population in Palau had access to electricity as of 2020.¹¹
- Palau's Palau Public Utilities Corporation (PPUC) is a public corporation established to manage and operate the electrical power and the water and wastewater systems.¹²
- Palau Energy Administration (PEA), under the Ministry of Public Infrastructure, Industries, and Commerce acts as the project management unit for several RE and EE projects in Palau.¹³



Infrastructure

- The country is divided into four interconnected electricity grids with 114 linear miles of 13.8 kV distribution lines and is interconnected by 47 linear miles of 34.5-kV undersea transmission lines.¹⁴
- Sharp and Western Caroline Trading Company (WCTC) in Palau has introduced 0.4 MW rooftop PV system in a supermarket and a hotel in Koror, Palau, for self consumption.¹⁵



Financing

- The ADB has invested USD 9.19 Mn in energy projects to strengthen energy security.¹⁶
- The ADB's Disaster Resilient Clean Energy Financing Project will facilitate access of clean energy financing amongst the low-income households and female borrowers.¹⁷



Energy Imperatives

- The total installed capacity of Solar PV witnessed a CAGR of 8.1% between 2017-2021 increasing to 1.7 MW from 1.3 MW between the years.¹⁸
- The electricity generation mix of Palau is dominated by diesel (97.5%) followed by solar (2.5%).¹⁹
- In 2021, the total installed capacity in the country has reached 33.5 MW with maximum share coming from oil (diesel).