



1       **§ 705. National Energy Policy.**

2       **§ 706. Palau Annual Energy Report.**

3       **§ 707. Independent Power Producers.**

4       **§ 708. Electricity tariffs.**

5       **§ 709. Energy efficiency.**

6               **§ 701. Short title. This Chapter will be known and may be cited as the “Palau**  
7 **Energy Act of 2015”.**

8               **§ 702. Intent and purpose. The intent and purpose of this Chapter is to**  
9 **establish a comprehensive national framework to improve energy security by**  
10 **diversifying the supply of energy to the people of Palau, including renewable-energy,**  
11 **and promoting progressive policy development and implementation by a more**  
12 **robust, cost-effective, and efficient Energy Administration.**

13               **§ 703. Definitions. In this Act:**

14               **(a) “Central electricity grid” means the electricity infrastructure that is**  
15 **operated by the Palau Public Utilities Corporation for the purpose of supplying**  
16 **electricity to customers in Koror, Babeldaob, Iouladaob, and the outer islands.**

17               **(b) “Energy Administration” means the key agency within the executive**  
18 **branch of the Government of Palau with responsibility for the regulation of the**  
19 **energy sector.**

20               **(c) “Energy Monitoring, Evaluation and Reporting Framework” or “EMER**  
21 **Framework” means the framework for monitoring, evaluating and reporting on the**  
22 **performance, progress and achievements of the Palau energy sector.**

23               **(d) “National Energy Policy” or “NEP” means the policies that are developed**  
24 **and declared by the Government of Palau in relation to the energy sector. This**  
25 **includes relevant regional or international agreements that are adopted by the**  
26 **Government of Palau.**

27               **(e) “Energy sector” means the Palau energy sector, including the**  
28 **infrastructure, stakeholders and institutions that are directly or indirectly involved in**  
29 **the importation, storage, transformation, delivery, and usage of energy resources and**  
30 **services.**



(f) “FAESP” means the Framework for Action on Energy Security in the Pacific: 2010–2020.

(g) “Government green fleet efficiency standards” means the fuel emissions standards that the Energy Administration establishes for the fleets of relevant government agencies.

(h) “Grid connection” means the process of generating electricity for the purpose of exporting it to the central electricity grid.

(i) “Independent Power Producer” means a person or entity that enters into a commercial agreement (the Power Purchase Agreement) with PPUC for the supply of energy to the central electricity grid.

(j) “Minister” means the Minister of Public Infrastructure, Industries and Commerce.

(k) “PIFACC” means the Pacific Islands Framework for Action on Climate Change.

(l) “Power Purchase Agreement” means a commercial agreement between an Independent Power Producer and PPUC that specifies the terms and conditions under which PPUC shall compensate the Independent Power Producer for exporting electricity to the central electricity grid, including the price PPUC will pay and the duration of the agreement.

(m) “PPUC” means the Palau Public Utilities Corporation.

(n) “President” means the President of the Republic of Palau.

(o) “Renewable energy” means energy derived from renewable sources, such as solar power, water power, or wind power.

(p) “Tourism marine vessel efficiency standards” means the fuel emissions standards that the Energy Administration establishes for marine vessels used by private tourism operators.

(q) “UNFCCC” means the United Nations Framework Convention on Climate Change.

§ 704. Energy Administration; establishment, duties and powers.

(a) There is established an Energy Administration which shall:

(1) be a separate entity within the Ministry of Public Infrastructure, Industries and Commerce;

(2) be responsible for the proper and effective administration of this Act; and

(3) report to the Minister on its key regulatory responsibilities.

(b) The general duties and powers of the Energy Administration are to:

(1) monitor all energy-related matters in the Republic and prepare the Palau Annual Energy Report, as specified by Section 706 of this Act;

(2) provide advice on matters of energy sector policy and implementation to the President, Minister, and any energy-related institution, including but not limited to PPUC;

(3) facilitate energy-related grants in the energy sector;

(4) educate the public concerning energy-related matters, as specified by Section 709 of this Act;

(5) coordinate maintenance contracts for solar-facilities owned by the Government of Palau; and

(6) promulgate regulations necessary to carry out the provisions of this Act.

(c) The Energy Administration is responsible for reporting and coordinating with the relevant executive branch climate change office such energy-related climate change information as is specified by applicable international and regional initiatives to which the Government of Palau has made a commitment, including:

(1) PIFACC;

(2) FAESP; and

(3) UNFCCC.

(d) The Energy Administration is responsible for setting energy efficiency benchmarks for public utilities such as PPUC and for monitoring and reporting on their performance against such benchmarks.

§ 705. National Energy Policy.

(a) The Energy Administration will develop and disseminate the NEP. The objectives of the NEP are the delivery of clean, secure, and affordable energy within