

	DoE
	DGPC
	BPC
	ERA
	BPSO
	MoF
	DHS, MoIT
	DoI-MoICE

Policy Statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources		Implementation status
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)	
MoENR												
5.1 The Ministry of Energy and Natural Resources (MoENR) shall be responsible for formulating and guiding policy within the energy sector.	The Energy Policy 2025 is effective for achievement of 25,000MW by 2040. Ministry to provide necessary guidance and policy inputs to the investors, public, MDBs, et al.	Continuous	No. of agencies/ investors/ FIs/ private sector etc. provided guidance and policy inputs	NA	10	2025	2029	DoE	Public/private investors, FDI, MDBs, Govt./bilateral/multilateral agencies, etc.	NA	Yes	Ongoing
5.2 The MoENR shall facilitate issuance of clearances concerning environment, forest, water, land, cultural and other approvals for development of renewable energy projects.	Facilitate and expedite issuance of required clearances within 5 working days	Continuous	TAT by which clearances are facilitated for a decision	NA	5 days	2025	2029	DoE	DECC, DoFPS, DoW, DoE, MoHA (DoCDD), NLCS, Project developers, LGs	NA	Yes	Ongoing
DoE, MoENR												
5.3 The Department of Energy (DoE) shall be responsible for policy, planning, approval, allocation and concession for development of renewable energy including monitoring and evaluation.	DoE shall approve and allocate the RE projects to Project Developers (PD)	Continuous	No. of projects allocated	Hydro- 14 (Jun 2025) Solar -22 (Jun 2025)	Hydro -6 (incl Sunkosh) Solar - Depends on Pvt sector	2025	2029	ESPD-DoE	PDs	NA	Yes	Ongoing
	DoE shall prepare and sign Concession Agreements with the PD	Continuous	No. of CAs signed	CA- 3 (Jun 2025)	CAs - 15			DoE	PDs	NA	Yes	Ongoing
	DoE shall monitor and evaluate the progress of projects	Continuous	Timely monitoring of progress	NA	Monthly			DoE	PDs	NA	No	Ongoing
5.4 The DoE shall be responsible for implementation of pilot or demonstration projects to accelerate the uptake of new energy technologies, systems and innovation.	DoE to take up pilot RE projects	Medium-term (3-5 Yrs)	No. of pilot projects implemented	1 (wind)	2 Pilot Projects Implemented (Solar and Wind Hybrid Project, small hydro tech & Green Hydrogen Demonstration Project)	2025	2029	EIMD-DoE	MoF, Donor agencies	Uncommitted	Yes	Exploring funding options
5.5 The DoE shall be responsible for policy and technical oversight of power systems and energy markets including cross-border trade of electricity.	Holding of regular Bhutan Power System Coordination Committee (BPSCC) meeting	Continuous	No. of BPSCC meetings held in a year	14 meetings (Jun 2025)	2 meetings in a year	2025	2029	PSMD-DoE	1. Energy Sector	Committed	Yes	Ongoing
	Provide technical backstopping to rural Solar Homelighting Systems	Continuous	Turn Around Time maintained as per Standard Operating Procedure (SOP)	NA	10 days			EIMD-DoE	2. Rural consumers	Committed		Ongoing
	Arrange power exports and imports with the neighbouring countries as a Nodal Agency	Continuous	Gol's import approval	PPAs- 6; Gol's import approval - 5 (incl. BHPP+Suchhu)	PPAs- >10 (REDR hydro projects within 2029) Gol's Import approval - 3 nos. (2025-26, 2026-27, 2028-29)			PSMD-DoE	3. PDs, MFAET, Gol	NA		Ongoing
	Conduct regular power system studies	Continuous	No. of power system study reports	2 (2024-25)	2			PSMD-DoE	BPC	NA		Ongoing

5.6 The DoE shall be responsible for formulation of, amongst others, tariff setting and power allocation guidelines for the supply of power to the domestic market other than for captive power plants.	Develop and issue Domestic Tariff-Setting Guidelines	Immediate (1-2 yrs)	Timeline by which the Tariff-setting Guidelines developed and issued	NA	Jul-25	2025	2026	ESPD-DoE	1. ERA, DGPC, BPC	NA	Yes	Completed
	Revise and publish SOPs for Power Allocations	Immediate (1-2 yrs)	Timeline by which the SOPs for Power allocations developed and published	NA	Jun-26			ESPD/PSM D-DoE	2. DoI, MoICE	NA	Yes	Ongoing
ERA												
5.7 The Electricity Regulatory Authority (ERA) shall be responsible for licensing and domestic tariff setting, including tariffs for generation not covered by Power Purchase Agreements (PPAs), transmission, distribution and retail sale of electricity.	Issue licenses for the utilities and PDs	Long-term (> 5 yrs)	No. of licenses and permits issued	Hydro-3 (Dec 2025) Solar -5 (Dec 2025)	3 to 5 Solar - As and when the application is being submitted.	2025	2029	ERA	DoE, PDs		Yes	
	Review and approve domestic tariffs	Medium-term (3-5 Yrs)	Timely review & issuance of domestic tariff	Tariff order for 2022-25	Once in 3 years (2026-28; 2028-31)	2026	2029	ERA	DoE, BPC, DGPC, private sector			
5.8 ERA shall issue regulations and technical standards for generation, transmission, system operation, distribution, and retail sale of electricity besides ensuring efficient, safe and secure operation of the sector in delivering quality services.	Develop regulations and technical standards in line with Electricity Act.	Immediate (1-2 yrs)	No. of regulations and technical standards are developed/ revised	TDR, solar licensing Grid Code, Distribution Code, IHWR	1. Power Market Regulation. 2. Review and update the existing regulations	2025	2029	ERA				
	Monitor reliability and safety aspects of electricity sector operations.	Continuous	Achieve the annual threshold of SAIFI, SAIDI	Distribution Code, SAIFI (15.46), SAIDI (14.48)	SAIFI (14.36), SAIDI (13.79)	2025	2026	ERA	DoE, BPC			
System Operator												
5.9 The Bhutan Power System Operator (BPSO) shall be responsible for the efficient coordination and management of power system operations, for both domestic and cross-border electricity transactions.	Effectively coordinate the electricity transaction in real time between supplier and consumers in accordance with Grid Code and GDM	Continuous	% Compliance with Grid Code and GDM	NA	100% compliance with Grid Code and GDM	2025	2029	BPSO	Generators, BPC			
NCHM												
5.10 National Centre for Hydrology and Meteorology (NCHM) shall be responsible for providing scientific and technical data on hydrology, meteorology, climatology, cryosphere and GLOF, supporting the energy sector with essential planning information.	Collect, analyse and provide hydro-meteorological data for RE development	Continuous	Facilitated within the stipulated TAT	5 working days	5 working days	2025	2029	NCHM	DoE, DGPC, PDs			
Generation Utility												
5.11 The Druk Green Power Corporation Ltd. (DGPC) and its subsidiaries, as licensed entities, shall carry out feasibility studies, construction, operation and maintenance of renewable energy projects and the bulk trade of power, and shall provide ancillary support services.	Carry out and complete feasibility studies	Continuous	No. of DPR/FS completed (Hydro & Solar)	Hydro- 10; Solar- 1;	Hydro- 20 Solar- 20	2025	2029	DGPC	DoE, BPC	Committed	Yes	
	Construction, operation and maintenance of renewable energy projects	Long-term (> 5 yrs)	No. of Projects commissioned;	Projects commissioned- 2 (Nikachhu+Suchhu)	Hydro- 20 Solar- 20	January 2026	December 2040	DGPC	DoE, BPC	Uncommitted	No	

	Export surplus power and meet power shortages through import on annual/seasonal basis	Continuous	Volume of energy exported and imported (MU)	Export - 6,096 MU Import - 999 MU (2024-25)	Export - 7,152 MU Import - 2,776 MU	2025	2026	DoE/DGPC				Forecasted value from PSMD-DoE
5.12 Special Purpose Vehicles (SPVs), Independent Power Producers (IPPs) and other Project Developers shall also develop and operate the renewable energy projects, as per the law and regulations.	SPVs, IPPs and other PDs engaged in RE projects	Continuous	No. of SPVs and IPPs engaged	SPV- 2 (DHPC, KHPL) IPP - 0	SPVs - 6 (Dorjilung, Chamkharchhu-I, Nyeru-Amari, Bunakha, Wangchhu, Gongri) IPP - 10	2025	2029	DoE	DGPC, PDs, ERA, MoF, DoI-MoICE			
Transmission & Distribution Utility												
5.13 The Bhutan Power Corporation Ltd. (BPC), as licensed entity, shall be responsible for development, operation and maintenance of the transmission & distribution networks, wheeling and supply of electricity to the consumers and for exports	Construct ATS and system strengthening networks	Continuous	ATSs constructed as per NTGMP	NA	East-west Transmission line, & new ATSs for projects	2025	2029	BPC				
	Operate & Maintain transmission & distribution networks including export lines	Continuous	Timely O&M undertaken	NA	Annual							
	Ensure reliable power supply to domestic consumers and for export	Continuous	% Compliance to SAIFI/ SAIDI	NA	100% compliance to SAIFI and SAIDI (13FYP)							
Power Trader												
5.14 The DoE shall designate power trader for cross-border electricity trade.	Formalize DGPC as the designated cross-border power trader	Immediate (1-2 yrs)	Timeline by which Ministry/Cabinet approval is accorded	NA	2027	2026	2027	PSMD-DoE	DGPC	NA	Yes	
5.15 The Power Trader shall enter into PPA, Power Sales Agreement (PSA) and other related contracts to facilitate the sale of electricity domestically and across the border. All cross-border PPAs/PSAs shall be approved by the DoE.	Sign PPAs/PSAs to facilitate the trading/sale of electricity for domestic and export	Continuous	No. of PPAs signed	Existing PPAs between DGPC & PTC	Hydro- 6 Solar- 10	2026	2029	DoE	DGPC, Power Traders, ERA	NA	Yes	
Institutional Reforms												
5.16 To promote efficiency and competition, the RGoB may undertake required institutional reforms including restructuring of the power sector or its utilities.	Undertake Power Sector diagnostic study to assess current structures, bottlenecks, and reform options including unbundling, privatization, etc.	Long-term (> 5 yrs)	No. of reforms implemented	0	1	2026	2029	DoE	Energy sector agencies			

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						Timeline (Start Date)	Timeline (End Date)			Fund (committed/unc committed)	Within 13FYP (Yes/No)	
Energy Resources Development												
6.1 The DoE or the authorized agency shall conduct comprehensive site assessments including field investigations and investment studies for the proposed energy projects comprising of hydropower, solar and other renewable energy resources. These studies shall strictly adhere to both national and international standards and adopt best practices for sustainability and resilience.	Carry out DPR studies for HEPs identified for development	Medium-term (3-5 Yrs)	No. of new DPR studies completed	NA	7 (Garni-II, Jonghang, Yarmobzhu, Khomachhu, Sherichchu, Jgmechchu, Dangchhu)	2025	2029	DoE/DGPC	MoF, Development Partners	uncommitted	Yes	
	Update of existing DPRs for HEPs	Medium-term (3-5 Yrs)	No. of DPRs updated	1 (Dorjlung)	4 (Bunakha, NA, Chamkharchhu-I, Sunkosh)	2025	2029	DGPC			Yes	
	Carry out Recce/PFS/DPR studies for solar and other RE projects	Medium-term (3-5 Yrs)	No. of fresh Recce/PFS/DPR studies completed	3 (Sephu, shinghtar, Jamje)	Solar - 10		2025	2029	DoE, DGPC, PDs	MoF, Development partners		Yes
	Prepare Guidelines for development of Solar and RE projects	Medium-term (3-5 Yrs)	Timeline by which the Guideline is prepared	NA	June 2026		2025	2026	DoE	MoF, Donor agencies		Yes
6.2 This policy shall guide DoE and ERA on formulation of technical guidelines, instruments, regulations, standards and codes to ensure the efficient use and development of the energy resources.	Subsumed under various provisions											
Hydropower												
6.3 The hydropower projects shall be categorized by the installed capacity as follows: a. Mega projects – more than 1,000 MW b. Large projects – more than 500 MW and up to 1,000 MW c. Medium projects – more than 100 MW and up to 500 MW d. Small projects – all capacities up to 100 MW	This provision is for information											
6.4 Hydropower development will be prioritized by RGoB through its authorized agency on project-specific, bilateral, and regional collaborations. As a strategic resource belonging to the people and therefore to ensure that the benefits primarily accrue to its people, the RGoB shall retain majority ownership.	Allocate hydropower projects through various mode of development to DGPC who shall retain majority ownership	Continuous	No. of projects allocated	NA	20	2025	2029	DoE	DGPC	NA	Yes	
6.5 Foreign and domestic investors/entities may participate in medium, large and mega hydropower projects through public-public or public-private partnerships (PPP), with ownership capped at 49%. The RGoB authorized agency shall hold at least 51% ownership in any such PPP. The RGoB will select strategic partners based on factors such as access to financing, power off-take arrangements, and technology and other value chain advantages. In partnerships where domestic investors are also participating, the combined ownership of foreign and/or domestic investors shall not exceed 49%.	Explore strategic partners having reliable financing capability, off-take arrangements, and other advantages like innovative technologies	Continuous	Strategic partners secured for all planned projects	NA	Dorjlung, Chamkharchhu-I, Nyera-Amari, Bunakha, Wangchhu, Gongri	2025	2029	DoE/DGPC	MoF, Potential Strategic Investors (Local/Foreign)	NA	Yes	
6.6 For small hydropower projects, only domestic investors shall be allowed for partnership with the RGoB authorized agency. The ownership of the domestic investors shall however not exceed 49% of the equity component.	Foster awareness for domestic participation	Immediate (1-2 yrs)	Timeline by which Investment Prospectus is prepared and awareness conducted	NA	2026	2025	2026	ESPD-DoE		NA	Yes	
	Float IPOs and green bonds	Continuous	No. of projects opened up	NA	1	2025	2029	DGPC		NA	Yes	
6.7 In case of domestic investors under Clauses 6.5 and 6.6, the shareholding by the domestic investors shall be based on visibility and transparency of the funding source with no divestments to the foreign partners.	Validate the funding source of domestic investors through guideline in consultation with DGPC.	Continuous	Timeline by which guideline is prepared and published	NA	2027	2026	2027	DoE/DGPC	MoF, RMA, Fis, MoICE	uncommitted	Yes	
6.8 Identification and selection of hydropower projects for development shall be based on the PSMP, which shall be periodically updated by the DoE in keeping with the REDR-2024 and in conformity with extant Guidelines for Development of Hydropower Projects.	Update PSMP after 5 years based on requirement	Long-term (> 5 yrs)	Timeline by which PSMP updated	PSMP 2040	2034	2030	2034	ERDD-DoE	MoF, energy sector, NLCS	uncommitted	No	
6.9 The medium, large and mega hydropower projects shall provide fifteen percent (15%) of net electricity generated as Free Power and at no cost to the RGoB or equivalent cash payments at 13% of the electricity revenue. For projects below 100 MW, the quantum of Free Power shall be determined at the time of project commissioning based on financial viability of each individual project.	Revision of Royalty framework	Immediate (1-2 yrs)	Timeline by which Royalty framework revised	Electricity subsidy & Royalty framework 2022	2027	2025	2027	DoE/MoF	DGPC, ERA, PDs	uncommitted	No	

6.10 Development of multi-purpose, reservoir and pumped storage projects including solar hybrids shall be prioritized to ensure maximization of firm power availability and value from energy so as to derive complementary benefits through balancing of intermittent generation sources and enhance climate resilience.	Prioritize implementation of multi-purpose, reservoir and PSPP including solar hybrids	Long-term (> 5 yrs)	Timeline by which Bunakha, Sunkosh, Kuri-Gongri and Gongri-Jerichu HEPs implemented including solar hybrids	Project DPRs	June 2034	2025	2034	DGPC	DoE, BPC	uncommitted	Yes		
6.11 Hydropower assets shall be developed, operated and maintained with the highest standards of quality, efficiency and sustainability through deployment of state-of-art technologies.	Use of innovative construction methods and technologies	Continuous	Innovative construction methods & technologies adopted included in the project bidding documents	Existing hydro plants	All planned HEPs	2025	2029	DGPC	PDs, DoE	uncommitted	No		
	Implement Quality Assurance (QA) and Quality Control (QC) as per Hydropower Development Guidelines 2018	Continuous	QA & QC aspects incorporated in the bidding document for all planned HEPs.	Existing hydro projects under construction	All planned HEPs	2025	2029	DGPC	PDs, DoE	uncommitted	No		
	Bench marking O&M of hydro projects based on regional & international practices (efficiency, WUF, etc.)	Continuous	PDs adhering to the O&M practices in keeping with regional & international practices.	Existing hydro plants	All operating HEPs	2025	2029	DGPC	PDs, DoE	uncommitted	No		
6.12 Hydropower resource shall not be allowed to be developed as a Captive power plant	Conduct policy awareness.		Timeline by which Policy awareness is conducted	NA	2026	2025	2026	DoE		uncommitted	Yes		
Solar and Other Renewable Energy											uncommitted		
6.13 The DoE shall promote development of solar and other renewable energy resources such as wind, geothermal, biomass, hydrogen and emerging technologies to expand and diversify the energy supply sources including energy needs for heating and cooling.	Develop an inventory of RE projects for development	Immediate (1-2 yrs)	1. Timeline by which inventory of RE projects is made available	NA	June 2027	2025	2027	DoE	Donor agencies, MoF, private sector	uncommitted	No		
	Conduct studies on use of RE for meeting the heating & cooling (HVAC) energy needs of HHs & establishments	Immediate (1-2 yrs)	2. Timeline by which studies on use of RE for meeting HVAC needs is completed	NA	June 2027					uncommitted	No		
6.14 The identification of solar and other renewable energy sources shall be as per the Renewable Energy Master Plan (REMP) 2017 which shall be updated periodically in keeping with REDR.	Update of REMP 2017	Medium-term (3-5 Yrs)	Timeline by which REMP is updated	REMP 2017	2027	2026	2029	DoE	NLCS	uncommitted	No		
6.15 Solar and other renewable energy will be promoted through both public and private investments including Foreign Direct Investment (FDI) in the form of Public-Private Partnership (PPP), Independent Power Producer (IPP) & Captive arrangements. This will be facilitated through appropriate routes along with PPA and/or Transmission Access Agreement (TAA) with transmission and distribution utilities	Investment Prospectus prepared	Continuous	Timeline by which investment prospectus is prepared	NA	Investment prospectus prepared by 2025/26	2025	2026	DoE		uncommitted	No		
	Competitive bidding process instituted	Medium-term (3-5 Yrs)	Timeline by which competitive bidding process is instituted	NA	Competitive bidding process instituted by 2029	2026	2029	DoE	PDs	uncommitted	No		
6.16 The DoE shall prepare inventory of solar sites with minimum details which shall be made available for investments through appropriate mechanisms.	Develop National Solar Energy Inventory	Immediate (1-2 yrs)	Timeline by which National Solar Energy Inventory is developed	NA	2025	2024	2026	DoE	NLCS, ISA	committed	Yes		
6.17 Any interested project developer shall submit solar proposals, which are not in the solar inventory list to the DoE for approval. The DoE shall issue an SOP for allocation of solar and other renewable energy resources.	Develop SOP for allocation of solar projects	Immediate (1-2 yrs)	Timeline by which SOP for allocation of solar projects developed	NA	2026	2025	2026	DoE/ESPD		uncommitted	No		
	Develop SOP for allocation of other RE projects	Medium-term (3-5 Yrs)	Timeline by which SOP for allocation of other RE projects developed	NA	2028	2026	2028	DoE/EIMD		uncommitted	No		
6.18 The DoE shall promote Renewable Energy Service Providers (RESP) to scale up energy supplies to the consumers from solar and other renewable energy sources along with Prosumers to harness solar and other renewable energy; reduce the national electricity supply deficit and enhance energy independence for which connectivity and tariff guidelines shall be issued.	Implement the guideline for development of DERS 2023	Continuous	No. of RESP/Prosumers	NA	1. Atleast one RESP established by 2027/28 2. 204 prosumers added by 2028	2025	2027/28	DoE/EIMD	ERA, BPC, MoICE	uncommitted	Yes		
6.19 The DoE shall promote Distributed Energy Resource Systems (DERS) to provide energy solutions for those areas where grid connectivity is not viable.	Implement the following off-grid projects: Lunana small hydro (500kW)	Medium-term (3-5 Yrs)		NA	2028	2025	2028	DoE/DGPC	Dzongkhag, LG	committed	Yes		
	Solar PV mini grids for Wachey (51kW) and Esuna (26.4kW), Lunana	Medium-term (3-5 Yrs)	Timeline by which the projects are implemented	Shangisa 33kW	2027					DoE	Dzongkhag, LG	committed	Yes
	Solar PV mini grid for Shingphel (33kW), BWS, Tashyangtse	Medium-term (3-5 Yrs)			2027					DoE	Dzongkhag, LG	committed	Yes
	Solar PV mini grid for Roelmoteng (15kW), Lhuentse	Medium-term (3-5 Yrs)			2028					DoE	Dzongkhag, LG	committed	Yes
6.20 The DoE shall promote productive end-use of renewable energy solutions to empower communities, enhance livelihoods and sustainable socio-economic development through cross-sectoral applications such as water pumping, EV charging stations, and	Implement solar lift irrigation systems	Medium-term (3-5 Yrs)	No. of new lift irrigation systems installed		NA	4-1 from ICIMOD, 3 from Gol PTA, Paro & Punakha - FY 2025-26; 3 each in FY2026-27/28/29	2025	2029	DoE/EIMD	LG	committed	Yes	
	Implement solar dryers	Medium-term (3-5 Yrs)	No. of new solar dryers installed in collaboration of DAMC, MoAL	NA	(10 nos. - FY2025-26/27) - Gol PTA	committed					Yes		
	EV charging stations	Medium-term (3-5 Yrs)	10 solar powered EV charging stations installed	NA	9 ministries & 1 PMO - FY2027-28/29 - Gol PTA	committed					Yes		

	Provision of livelihood equipment	Medium-term (3-5 Yrs)	No. of communities provided with livelihood equipment	NA	10 villages, FY2025-26, ADB AREPP project						committed	Yes
	Supply of Solar water heating systems	Medium-term (3-5 Yrs)	No. of SWSHs supplied	NA	70 nos. FY2025-26/27/28/29) GoI PTA						committed	Yes
	Installation of Solar powered cold storage	Medium-term (3-5 Yrs)	No. of solar powered cold storages installed	NA	15 nos. FY2026-27/28/29) GoI PTA						committed	Yes
6.21	Project Developer may set up solar and other renewable energy projects on their own land or on leased State/private land.	Facilitate lease of state land with NLCS	Continuous	TAT by which land lease facilitated	2 (Tenchekha)	5 working days	2025	2029	DoE	NLCS, PDs		
Concession Agreement (CA)												
6.22	Any Project Developer intending to set up Renewable Energy projects shall enter into a Concession Agreement (CA) with the DoE. This agreement shall outline the rights, obligations and detailed terms & conditions governing the construction, commissioning, operation & maintenance of the project and reversion of the project to the RGoB, as relevant, after the expiry of concession.	Draft and sign Concession Agreement with SPVs for hydropower	Continuous	No. of CAs signed with SPVs	3 (2024)	15 (incl. sunkosh)	2025	2034	DoE	DGPC, SPV	uncommitted	Yes
		Draft and sign CA for solar projects	Continuous	No. of CAs signed with solar developers	0 (2025)	4 (Jungzhi solar, Jamjee, 2 more in Tenchekha)	2026	2028	DoE	Private developers	uncommitted	Yes
6.23	The DoE shall develop a comprehensive framework for the CA for signing with the Project Developer(s).	Develop comprehensive CA frameworks for hydro and solar	Immediate (1-2 yrs)	Timeline by which CA frameworks are developed	Hydro CA	2026	2025	2026	DoE	DGPC, BPC	uncommitted	Yes
6.24	The CA for the development of hydropower projects shall be valid for a period of 30 years from the Commercial Operation Date (COD).	Policy Action 6.22 (1) will take care									uncommitted	
6.25	The CA for the development of solar projects shall be valid for a period of 25 years from the COD.	Policy Action 6.22 (2) will take care									uncommitted	
6.26	The period of CA for other renewable energy projects shall be as notified by DoE.	Conduct research on CA for other renewable energy projects like wind, geothermal, green hydrogen, etc.	Medium-term (3-5 Yrs)	Timeline by which the research is completed	NA	2028	2027	2028	DoE/EIMD		uncommitted	No
6.27	The validity of CA under Clauses 6.24 and 6.25 may be extended by a maximum of five (5) years, subject to predefined conditions as may be prescribed in the CA.	Policy action 6.22 (1) & (2) will take care									uncommitted	
6.28	Project Developer(s) of solar rooftop projects or the RESP shall enter into lease agreement with the property owner, granting rights to use the property for solar installation and operation for which DoE will issue the lease arrangement guidelines.	Develop lease arrangement guidelines and lease agreement template for solar rooftop projects	Immediate (1-2 yrs)	Timeline by which lease arrangement guidelines and lease agreement template for solar rooftop projects are developed	NA	2026	2025	2026	DoE/EIMD		uncommitted	No
Hydrogen and Derivatives												
6.29	The DoE shall encourage the development and integration of hydropower value chain by adopting emerging renewable energy technologies and innovations including green hydrogen and its derivatives such as hydrogen fuel, green ammonia and other energy storage systems.	Adopt new & scalable technologies	Medium-term (3-5 Yrs)	No. of new technologies adopted	NA	3 (GH2, BESS, Turbulent turbine, green ammonia)	2025	2029	DoE/EIMD		uncommitted	Yes
6.30	The DoE shall facilitate the creation of an enabling ecosystems to support innovations, investment and the development of the hydrogen economy and its value chain for both domestic and foreign markets.	Pilot demonstration of green hydrogen production plant and its use	Medium-term (3-5 Yrs)	Timeline by which pilot demonstration of green hydrogen is completed	NA	2027	2026	2027	DoE/EIMD	DoST, ERA	uncommitted	No
		Conduct research on energy storage viabilities	Medium-term (3-5 Yrs)	Timeline by which research on energy storage viability is complete	NA	2027	2026	2027	DoE/EIMD	DoST, ERA	uncommitted	No
6.31	The DoE shall promote and advance use of green hydrogen as an alternative fuel for the transport sector and related industries, along with green ammonia and other derivatives, in line with the Hydrogen Roadmap 2024 and future amendments, supported by regulatory frameworks.	Implement pilot FCEV bus between Thimphu & Paro with H2 refuelling stations	Medium-term (3-5 Yrs)	Timeline by which pilot FCEV is implemented	NA	2027	2026	2027	DoE/EIMD	DoST, MoF	uncommitted	No
6.32	The DoE shall add hydropower generation capacity as needed to support production of hydrogen and other energy storage products	Implement reservoir, pumped storage, and hybrid solar projects	Long-term (> 5 yrs)	Timeline by which atleast 1 PSP (Jechihu) and a reservoir (Bunakha) started	NA	2029	2027	2029	DGPC	DoE, PDs	uncommitted	
Other Energy Initiatives												
6.33	The DoE shall explore the substitution of fossil fuels in various sectors with green electricity, green hydrogen, e-mobility and bioenergy to reduce greenhouse gas (GHG) emissions.	- Develop sector-specific decarbonisation plans (cement, transport, cooking fuels)	Medium-term (3-5 Yrs)	Timeline by which decarbonization plans is developed	NA	2026	2025	2026	EIMD-DoE	DoST, Pvt. Sector, MoF, DECC	uncommitted	No
6.34	The DoE shall promote the use of other energy generation sources like small modular reactors (SMR) and other innovative technologies to support long-term energy security.	Conduct feasibility study on adoption of SMRs	Immediate (1-2 yrs)	Timeline by which feasibility study is completed	NA	2026	2025	2026	DoE/EIMD		uncommitted	No
		Explore partnerships with GoI and other SMR developers	Medium-term (3-5 Yrs)	Timeline by which partnerships are explored	NA	2028	2025	2028	DoE/EIMD		uncommitted	No
6.35	The DoE shall promote waste-to-energy technologies for energy recovery and reduce GHG emissions.	Pilot small-scale WTE technologies	Medium-term (3-5 Yrs)	Timeline by which pilot project and study for waste-heat recoveries are completed	NA	2028	2026	2028	DoE/EIMD	DECC, Private sector	uncommitted	No
		Study adoption of waste-heat recoveries for industries	Medium-term (3-5 Yrs)								uncommitted	No

6.36 In cases of critical energy security concerns, the DoE, with prior approval of the RGoB, shall permit captive power generation using non-hydro resource or any other alternative fuels.	Conduct a study on captive power generation using non-hydro resource or alternative fuels for implementation to support critical energy security condition	Medium-term (3-5 Yrs)	Timeline by which the study is completed	NA	2027	2026	2027	DoE	DoT, MoICE	uncommitted	No
6.37 The DoE shall explore energy swapping/ banking and other suitable mechanisms to ensure a stable domestic energy supply.	Explore energy swapping/ banking options to ensure stable energy supply	Medium-term (3-5 Yrs)	Timeline by which the suitable options are explored	NA	2027	2026	2027	DoE	DGPC, BPC	uncommitted	No
Institutional and Human Resource Capacity Building											
6.38 The RGoB shall strengthen the public & private energy institutions by implementing targeted reforms, review energy related educational curriculum and course modules in technical institutes, and investing in capacity building initiatives to ensure sustainable growth of the sector.	Introduce reforms on restructuring inline with the approved law by the Government	Continuous	Timeline by which reforms proposed	NA	2029	2025	2029	DoE	CST, JNEC, RUB	uncommitted	No
	Facilitate CST/JNEC, RUB on review of curriculum	Continuous	Timeline by which review of curriculum coordinated	NA	2029	2025	2029	DoE	CST, JNEC, RUB	uncommitted	No
	Facilitate capacity building programs related to renewable energy	Continuous	No. of capacity building programs facilitated	NA	10 trainings	2025	2029	DoE	CST, JNEC, RUB, utilities, Private sector	uncommitted	No
6.39 The DoE shall facilitate growth of RESP to drive the expansion and management of solar and other renewable energy resources.	Promote RESP/prosumers through competitive financing	Continuous	Setting up of blended financing facility	NA	2029	2025	2029	DoE	Private sector, RMA, Fis	uncommitted	
	Continue capacity building of potential private players	Continuous	No. of capacity building programs (6.38) implemented	NA	10 trainings	2025	2029	DoE	CST, JNEC, RUB, utilities, Private sector		
6.40 The DoE shall provide necessary support to facilitate formation of Project Management Consultants (PMCs) and Panels of Experts (PoE) to provide specialized management, technical and professional services for the development and sustenance of the renewable energy ecosystem.	Develop guidelines for formation of professional PMCs	Immediate (1-2 yrs)	Timeline by which PMC guideline is developed	NA	2027	2026	2027	DoE		uncommitted	No
	Develop ToR for formation of PoE	Immediate (1-2 yrs)	Timeline by which PoE ToR is developed	NA	2027	2026	2027	DoE		uncommitted	No
6.41 The DoE, in collaboration with all energy-related entities and educational institutes, shall conduct Research, Development and Demonstration (RD&D) on emerging and innovative energy technologies to meet future energy needs.	Conduct RD&D initiatives on emerging and innovative energy technologies	Continuous	No. of RD&D projects on emerging energy technologies conducted	NA	2 research conducted by 2027	2025	2029	DoE	CST, JNEC, RUB	uncommitted	
6.42 The DoE may establish a National Green Energy Panel consisting of relevant experts in the field. The Panel will provide technical and advisory support to promote the development of renewable energy and other emerging technologies.	Develop ToR for establishing National Green Energy Panel (establish a National Green Energy Panel)	Medium-term (3-5 Yrs)	Timeline by which National Green Energy Panel is established	NA	2027	2026	2027	DoE		uncommitted	

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
7.1 The Associated Transmission Systems (ATS) for the renewable energy projects including system strengthening shall be developed in conformity with the NTGMP, REDR and other priority plans as directed by the RGoB.	Update and align NTGMP with REDR for renewable integration on regular basis	Immediate	Timeline by which NTGMP is updated	NTGMP 2018	Updated by June 2027	2026	2027	DoE	BPC, DGPC, BPSO		
7.2 The Transmission and Distribution (T&D) utility shall build, own and operate the transmission and/or distribution lines to connect the renewable energy projects with the nearest grid and make access possible to the developers.	T&D utility to effectively liaise with RE project developers by signing TAA (Policy Statement 6.15)	Continuous	TAT for signing of TAA	NA	TAA signed within 9 months of RE project allocation by DoE	2026	2029	DoE	BPC, private developers		
7.3 The utility shall provide open access to the grid and ensure adequate grid capacity to allow seamless power evacuation and transmission for both domestic consumption and cross-border export/import, while ensuring transmission grid resilience.	Develop and implement an Open Access Framework and undertake transmission system planning and augmentation	Medium-term	Timeline by which Open Access framework is developed and made operational	NA	2028 (2026/27)	2026	2028	DoE	BPC		
7.4 A Project Developer must secure a Power Evacuation Agreement with the transmission and distribution utility at the time of CA signing. This agreement will ensure that transmission and distribution facilities are available for wheeling the electricity within Bhutan and for export, till the delivery point at the international border or other agreed-upon delivery points for cross-border transactions.	PDs to sign Power Evacuation Agreement with T&D utility	Continuous	TAT for signing the Power Evacuation Arrangement Agreement with the utility	NA	6 months	2026	2029	BPC	Project developer, DGPC,		
7.5 A Project Developer shall pay the required wheeling and/or network charges as determined by the Regulator.	ERA to issue Tariff order including wheeling and network charges	Continuous	Timeline for issuance of order for wheeling and network charges	2022-23	2026-28	2025	2026	ERA	BPC, DGPC, Project developer	Uncommitted	
7.6 The DoE shall provide necessary support to facilitate the transmission of power in coordination with transmission entities of the neighbouring or exporting/importing countries	Seek approval of Designated Authority (DA) for export and import of power	Continuous	TAT for receipt of DA's approval	NA	6 months	2025	2029	DoE	BPC, DGPC, BPSO	Uncommitted	
7.7 The utility shall deploy advanced technologies, including artificial intelligence (AI), smart meters, internet of things (IoT), digital twin, and other innovations to enhance grid security, reliability, resilience, and improved service delivery as well as ensure protection against cyber threats through real time monitoring.	Conduct research, develop and implement Digital Roadmap for the power utilities	Immediate	Timeline by which Digital Roadmap is developed and implementation initiated	NA	2026	2025	2026	DoE	BPC, BPSO, DGPC, ERA, GovTech	Uncommitted	No
7.8 All power projects shall adhere to scheduling and dispatch requirements as per the Grid Discipline Mechanism (GDM) Regulations.	Ensure all projects comply with GDM regulations	Continuous	% Compliance with GDM regulations	100%	100%	2025	2029	ERA, BPSO	BPC, DGPC, Power projects	Uncommitted	
7.9 Solar and wind projects shall be granted priority dispatch, subject to grid reliability, safety, and capacity constraints, as determined by the System Operator.	Review and update Grid Code	Medium-term	Timeline by which Grid Code reviewed and updated	NA	2027	2026	2027	ERA	DoE, BPSO, BPC, DGPC,	Uncommitted	
7.10 The use of ancillary services shall be promoted to efficiently manage the national and interconnected grid with appropriate regulations implemented to support such initiative.	Conduct research, develop and implement ancillary services under GDM regulation	Medium-term	Timeline by which GDM regulation updated	NA	2027	2026	2027	BPSO	ERA, DoE, BPC, DGPC	Uncommitted	

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
8.1 The DoE shall facilitate the allocation of State Reserve Forest (SRF) land and acquisition of private land for the Renewable Energy projects including for the transmission and distribution infrastructure. The land acquisition and leasing shall be carried out in accordance with the Land Act of Bhutan 2007 and its regulations and guidelines, as may be amended from time to time.	Facilitate allocation of SRF land through issuance of Loi and coordination with NLCS	Continuous	TAT by which the Loi issuance is facilitated	NA	5 working days	2025	2029	DoE	NLCS, DoFPS, LGs		
8.2 In case of the private land required for Renewable Energy project, the DoE will facilitate its acquisition and conversion to SRF. The costs/compensation shall be as per the extant Land Act and rules and regulations. If private land has been acquired by way of providing a SRF as substitute land to the landowner, the land shall be leased to the Project on payment of annual lease rents.	Facilitate acquisition and conversion to SRF for public-led RE projects (hydro)	Continuous	TAT by which the SRF for public-led RE projects (hydro) is facilitated	NA	5 working days	2025	2029	DoE	NLCS, DoFPS, LGs		
8.3 The DoE shall lead in framing Guidelines and Rules for obtaining Right of Way (RoW) for transmission and distribution lines.	Update Right of Way (RoW) Guidelines in collaboration with relevant stakeholders	Immediate	Timeline by which the guideline is updated	NA	2027	2026	2027	PSMD-DoE	BPC, ERA, NLCS, DoFPS	Uncommitted	
8.4 For the purpose of raising finance for the hydropower, solar and other renewable energy projects, the Rights-to-Use of land allotted under the Land Lease of National Land Commission may be Mortgaged for the period of concession.	Provision Rights-to-Use of land in the Concession Agreement	Continuous	Provision included in the Concession Agreement and CA signed	KHPL CA	CAs for 6 HPPs	2025	2029	DoE	SPVs, NLCS	Uncommitted	

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
9.1 The DoE shall regularly undertake supply-demand projections and energy security analysis for planning generation, transmission and distribution network expansions and upgradations to meet domestic energy needs.	Carry out supply and demand forecast	Immediate	Timely supply-demand forecast report published	S-D report 2024	Annually	2025	2034	DoE	DGPC, BPC, BPSO		
9.2 The DoE shall assess and allocate power supply to industries in consultation with the relevant RGoB agencies.	Continue assessment and allocation of power to industries based on SOP	Continuous	TAT for power allocation	PC- 50 PS- 24 (2024-25)	Within 10 working days for PC and 30 days for PS	2025	2029	PSMD-DoE	BPC, Industries		
9.3 The order of merit for supply of electricity from the national grid shall be as below ((i) being the highest priority): i. Essential public institutions and services ii. Individual households iii. General commercial establishments iv. Industries including construction power In the event of a power deficit scenario, requiring load shedding, the order of load shedding shall be in reverse order to the above order of merit. The DoE shall issue guidelines to execute this provision during exigent circumstances.	Develop and issue Load Shedding Guidelines for implementation during exigencies	Immediate	Timeline by which guideline is developed	NA	2027	2026	2027	DoE, BPSO	BPC, DGPC		

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommited)	Within 13FYP (Yes/No)
10.1 The RGoB shall allocate sufficient resources to support development of renewable energy projects. This includes activities like project profile preparation, site investigations, environmental studies, securing clearances, capacity building, and promotion of projects.	Allocate budget to support the development of renewable energy projects	Continuous	Annual budget provided for development of renewable energy projects	Budget proposal FY2024-25	Annual	2026	2029	MoF	DoE	Uncommitted	Yes
10.2 The DoE, in collaboration with relevant agencies, shall explore and facilitate diverse, competitive and innovative capital financing models for implementation of projects. These shall include a mix of financing sources from Multilateral Development Banks, FDI, carbon & climate financing, international & regional investments, EXIM banks, IPOs/FPs, Green Bonds, private sector investments and other appropriate financing options for renewable energy projects and associated transmission and distribution systems.	Develop Investment Prospectus	Immediate	Timeline by which investment prospectus is developed	NA	Investment prospectus is developed by 2026	2025	2026	DoE	-	Uncommitted	No
	Explore innovative financing mechanism	Continuous	No. of innovative financing mechanisms explored (concession, green bonds, carbon market, climate financing, etc.)		3	2025	2029	DGPC/DoE	FIs	Uncommitted	No
	Develop FDI Service charters for hydro, solar and other RE projects	Immediate	Timeline by which FDI Service Charters for hydro and solar is developed	NA	FDI Service Charters for hydro and solar is developed by 2025	2025	2025	DoE	DoI	Uncommitted	No
10.3 The DoE shall promote blended financing for solar, other renewable energy and Energy Efficiency projects, by mandating a certain portion of the Commercial Bank's annual loan portfolios for these projects as prescribed by the Royal Monetary Authority.	Explore the blended financing to assess grants, loan, guarantees, credit guarantees and concessional interest	Immediate	Timeline by which blended financing is explored	NA	2026 (tied to MAF proposal)	2025	2026	DoE-EIMD	DoE, MoF, RMA, FIs, donor agencies	Uncommitted	
10.4 Adequate government funding shall be allocated through the budgetary system to promote research, development, innovation and demonstration activities, particularly those related to energy value chain initiatives and energy storage/carrier solutions.	DoE to propose annual budgets based on R&DD activities to be carried out	Continuous	Annual Budget proposals submitted	Budget proposal FY2024-25	Annual	2025	2029	DoE	MoF		
10.5 The MoF, MoENR and DHI shall facilitate reinvestments from the hydropower earnings through an appropriate Dividend Policy to finance the development of renewable energy projects.	Review the DHI's Dividend Policy for reinvestments.	Medium-term	Timeline by which review is completed	Existing dividend policy	Dividend Policy	2026	2029	MoF	DHI, MoENR		No
10.6 The fiscal incentives for Renewable Energy and Energy Efficiency projects shall follow the provisions of the extant Fiscal Incentives Act and its Rules. In addition, the DoE may propose appropriate incentives for the investments in renewable energy projects to remain competitive in the market.	- FI Act 2021 already in place - Propose relevant incentives for RE projects based on experience and progress of the projects	Medium-term	No. of private RE projects (solar) initiated	NA	3	2026	2029	DoE	MoF, private developers	NA	No
10.7 Repatriation of capital and remittance of dividends for the foreign investors shall be in the currency of the investment in keeping with the prevailing FDI rules and regulations	FDI Rules & Regulations 2025 in place	Continuous	NA	NA				DoI/MoICE	DoE, PDs	NA	

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
11.1 All renewable energy projects including generation, transmission and distribution shall comply with the national environmental laws and adhere to international best practices.	Ensure compliance with national environmental laws and other international best practices such as WB, ADB, etc. through provisions in the CA	Continuous	Timeline by which monitoring conducted for signed CAs	Annual	Annual	2026	2029	DoE	PDs/SPVs		
11.2 A Project Developer shall conduct comprehensive Environmental and Social Impact Assessments (ESIA) as per the environmental laws and regulations of the country and the relevant RC&B guidelines.	PDs to conduct ESIA and obtain EC as part of DPR preparation	Continuous	No. of ESIA conducted	1 Gamri-II	Hydro - 20 Solar- 10	2026	2029	DGPC, PDs	DECC, DoE	Committed	Yes
11.3 The MoENR and the Project Developer shall determine the minimum quantity of water to be released at all times from the hydropower projects in keeping with the water regulation.	PDs to comply Water Act	Medium-term	% compliance	100%	100%	2025	2029	DoW	DGPC, DoE		
11.4 A Project Developer shall be responsible for mitigating adverse environmental impacts, as outlined in the approved ESIA Report. The Project Developer shall also implement the Environment Management Plan (EMP) throughout the project's lifecycle.	PDs to comply with Environmental Clearance and EMP	Continuous	Timely submission of Compliance reports by PDs	Compliance reports	Annual	2025	2029	PDs, DECC			
11.5 The DoE shall collaborate with relevant agencies for the issuance of forestry and environmental clearances for the renewable energy projects.	Facilitate issuance of FC and EC for RE projects through coordination with relevant agencies	Continuous	TAT by which issuance of FC & EC is facilitated	NA	5 working days	2025	2029	DoFPS & DECC	DoE, PDs		
11.6 A Project Developer shall avoid installation of project components within human settlements and private land. In events where installation within such premises becomes unavoidable, a Project Developer shall bear the costs of acquisition, resettlement and rehabilitation as per relevant laws, rules and regulations.	Ensure incorporation of detailed plan in ESIA of the DPR	Continuous	Timeline by which acquisition, resettlement and rehabilitation are implemented under unavoidable cases from the project's zero date	24 months	18 months	2025	2029	PDs	Geowg, Dzongkhag, NLCS, public		
11.7 A Project Developer shall ensure integration with the local area development for meeting the housing needs and sourcing of local products as may be prescribed in the CA.	PDs to comply with the CA	Continuous	% compliance	KHPL	50%	2025	2029	PDs/DoE			
11.8 For hydropower projects, the DoE or any authorized agency shall undertake an integrated geohazard assessment to evaluate the potential environmental and multi-hazard risks, including those posed by climate change. This approach will enable design of more resilient and adaptive infrastructure to withstand or adapt against multi-hazard cascading events, particularly where projects have to be located in vulnerable catchment areas	Incorporate geohazard assessment framework in the DPR as per the Guidelines	Continuous	Incorporation in DPR and its approval	Dorjlung	DPR of new HEPs	2025	2029	PDs			

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
12.1 The construction of renewable energy projects shall prioritize active engagement of local contractors, workforce, and employees for fostering national capacity building and innovation, with a focus on inclusive approach for sustainable development.	Engage local contractors, workforce, and employees	Continuous	Maximum no. of local contractors, workforce and employees engaged in projects	KHPL, SHPs, DHPC	75%	2025	2034	DoE	DGPC, PDs		
12.2 Whenever expatriates of specialized skills are employed during the construction, a Project Developer shall mandatorily ensure structured knowledge transfer and capacity building programs for the local counterparts, to enable Bhutanese professionals to lead in future projects.	Knowledge transfer & capacity-building plans by PDs.		Knowledge transfer & capacity building ensured in the CAs.	NA	50%	2025	2034	DoE	DGPC, PDs		
12.3 During the operation and maintenance phase, all employee positions shall be filled by Bhutanese nationals, except for roles requiring highly specialized skills. Efforts shall be made to develop and transfer these skills to local professionals to minimize reliance on external expertise.	Mandate all employees to be local during O&M period except on case by case basis through CA		% of O&M roles filled by Bhutanese	As per CA	75%	2025	2034	DoE	DGPC, PDs		

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
13.1 The DoE shall establish a dynamic domestic power market platform for aggregating power supply and demand, facilitating fair supply and trade based on a transparent market-driven pricing mechanism.	Develop domestic Power Market Platform with real-time bidding, clearing and settlement modules	Medium-term	Timeline by which Platform is made operational	NA	2028	2025	2029	DoE-PSMD	DGPC, BPC, BPSO, ERA, EICs		
13.2 The RGoB shall promote industries that utilize green electricity for production, aiming to enhance green value-added exports while reducing the carbon footprint and contributing to sustainable economic growth	Promotion of industries with green value additions using green electricity, green H2, etc.	Long-term	Timeline by which Branding of green products promoted	NA	2028	2026	2029	DoI-MoICE	MoENR		
13.3 The RGoB shall strengthen regional grid interconnections and pursue market integration for green energy trade through bilateral, regional and multilateral frameworks, contributing to regional clean energy transition and collaboration	Increase transmission interconnections with India through updation of NTGMP	Long-term	Timeline by which NTGMP updated in consultation with CEA	NTGMP 2018	2027	2026	2027	DoE-PSMD	MFAET, GoI, BPC, DGPC		
	Engage with bilateral market platforms to explore opportunities for market integration and regional energy trading	Long-term	Timeline by which discussions held with IEX, PX, HX		2027	2025	2027	DoE-PSMD	MFAET, GoI, BPC, DGPC		
13.4 The DoE shall leverage the power market platform to digitally account and monitor the carbon offset benefits from renewable energy projects for trading in carbon markets and other cooperative mechanisms	Integrate a carbon tracking module into the national power market platform to monitor, account for, and report carbon offsets from renewable energy trade	Medium-term	Timeline by which digital carbon accounting is integrated with power trade	NA	2027	2025	2027	DoE-PSMD	DECC		
13.5 The DoE shall facilitate Project Developer(s) in accessing the international carbon market and other mechanisms to support the development of renewable energy projects	Explore international carbon markets for carbon trading and derive benefits for RE development	Medium-term	No. of RE projects registered for carbon market	NA	1	2025	2029	DoE, DECC	International agencies, PDS		
13.6 Benefits arising from the sale of carbon credits shall accrue to the Project Developer. Carbon credit verification, registration, sale and transaction at the national or international level shall be the Project Developer's responsibility. The RGoB shall levy tax and fees on the transaction of such credits as per the Bhutan Carbon Market Rules and Framework.	Facilitate PDs on possibilities of carbon credits and trade and ensure coverage in the DPR	Continuous	No. of PDs acquainted with carbon credits and trade.	NA	2	2026	2027	PSMD/EIMD-DoE	DECC, PDs, international carbon markets		

<p>13.7 Cross-border trade of clean electricity shall be expanded by engaging with evolving regional power markets, leveraging innovative mechanisms such as Renewable Purchase Obligations (RPOs), Renewable Energy Certificates (RECs), and other tools to contribute to regional GHG emission reductions.</p>	<p>Explore participation in regional green energy mechanisms to trade RPOs, RECs, HPOs, etc. to derive benefits of clean electricity exports.</p>	<p>Medium-term</p>	<p>No. of projects participating in green energy mechanism</p>	<p>0</p>	<p>1</p>	<p>2026</p>	<p>2029</p>	<p>PDs</p>	<p>DoE, DECC, international carbon markets</p>		
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Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
14.1 The tariff for generation, transmission, distribution and retail services shall be based on fair and competitive cost of supply.	Prepare and issue Tariff Guidelines	Immediate	Timeline by which Tariff Guidelines prepared and issued	DETP 2016	2026	2025	2026	DoE	Energy sector agencies	Uncommitted	No
14.2 The tariff shall reflect the following: a) The value of equity at the time of commissioning of the renewable energy project shall be maintained throughout the project concession period for determination of Return on Equity (RoE). b) The allowance for RoE should be comparable to that of regional power market and industrial benchmark to attract and sustain investments. c) The assets of the hydropower plants after their Economic Life shall be revalued based on replacement cost basis and the debt equity mix of 70:30 shall be considered and equity thus derived will be used for determination of RoE. d) The benchmark tariff shall be the realizable tariff from other opportunities such as export, import, PPAs with end consumers, and internal and external energy markets. e) To ensure predictability and reliability, projects shall determine generation tariff through long-term PPAs by securing off-taker for domestic sale which shall be endorsed by the ERA.	Revise Tariff Determination Regulation to reflect these attributes for new tariff period 2025-2028	Immediate	Timeline by which Tariff Determination Regulation is revised	Tariff Determination Regulation 2022	Tariff Determination Regulation 2025	2025	2026	ERA			
14.3 The retail tariff shall be structured to ensure competitiveness, efficient usage, and reasonable return to the utilities. The RGoB may address affordability of the targeted consumers by providing an appropriate subsidy.	Determine the unsubsidised cost of supply for tariff period 2025-28	Immediate	1. Timeline for determination of unsubsidized cost of supply for tariff period 2025-28	Cost of supply for 2022-25	Cost of supplies for tariff period 2025-28	2025	2026	ERA	MoF, LZ	Uncommitted	Yes
	Assess the subsidy requirement for targeted consumers for tariff period 2025-28	Immediate	2. Timeline by which subsidy requirement report is submitted for tariff period 2025-28		Subsidy for targeted consumers submitted to the Government	2025	2026	DoE/ERA	MoF, LZ		
14.4 To balance supply-demand incongruities while optimizing grid efficiency, the tariff regulations will incorporate dynamic pricing mechanisms. This mechanism may include Time-of-Use (ToU) or differential tariffs to address seasonal supply/demand variance, incentivize efficient use and conservation of electricity and other demand side behaviours.	Tariff Determination Regulation to be revised for new tariff period 2025-2028	Immediate	Timeline by which Tariff Determination Regulation is revised	Tariff Determination Regulation 2022	Tariff Determination Regulation 2025	2025	2026	ERA	DoE, DGPC, BPC, Pvt sector	Uncommitted	No
14.5 Truing-up of costs during the period of tariff cycle for adjustment of differences shall be allowed for which the DoE shall issue the necessary guidelines	Incorporate provision on truing-up in the Tariff Guidelines 2025	Immediate	Timeline by which provision on truing up included in the Tariff Guidelines	NA	July 2025	2025	2026	DoE		Uncommitted	
	Carry out truing up of costs of tariff cycle on regular basis	Medium-term	Timely truing up of costs	2023-2025	Quarterly	2025	2028	ERA	BPC, DGPC		
14.6 The DoE shall make necessary arrangements to meet the domestic electricity demand, including electricity imports from energy markets, energy banking or through PPAs with external parties.	Regular assessment of domestic electricity consumption/demand including for industries. Pursue with Gol for import of power on short-term and long-term basis	Continuous	Timeframe for which negotiation and approval of Gol is accorded	Import approval of 2024-25	Import approvals 2025-2029	2025	2029	DoE	Gol, DGPC, BPC, MFAET		

<p>14.7 Import of power shall only be undertaken as a measure of last resort, after all available domestic generation capacities have been utilized to meet demand. In events where electricity imports are required to meet the domestic shortfalls, the cost of these imports including associated charges shall be allocated in the order below:</p> <ul style="list-style-type: none"> i. Industries including construction power ii. General commercial establishments iii. Individual households iv. Essential public institutions and services 	<p>Incorporate in the Tariff Guideline</p>	<p>Immediate</p>	<p>Timeline by which Tariff Guideline is revisited with incorporation of policy provision</p>	<p>DETP 2016</p>	<p>Tariff Guidelines 2025</p>	<p>2025</p>	<p>2026</p>	<p>DoE</p>	<p>ERA</p>		
<p>14.8 All generation plants shall be mandated to prioritize domestic supply. The obligation for the domestic supply amongst the operational hydropower plants shall be proportionate to the generation capacity of each power plants. A Project Developer and distribution utility/end users shall enter into PPAs or PSAs defining timelines, quantum of the energy and tariffs.</p>						<p>July 2025</p>	<p>December 2025</p>				
<p>14.9 The Regulator shall determine the appropriate network or wheeling charges applicable to both domestic and cross-border electricity trade including any trading margins.</p>	<p>Determine network and wheeling charges</p>	<p>Immediate</p>	<p>Timeframe for which network and wheeling charges are determined</p>	<p>network and wheeling charges for 2022-25</p>	<p>network and wheeling charges for 2025-28</p>	<p>2025</p>	<p>2026</p>	<p>ERA</p>		<p>Uncommitted</p>	<p>No</p>
<p>14.10 The DoE shall oversee the cross-border electricity trade, determining export and import arrangements through appropriate mechanisms.</p>	<p>DoE to act as Nodal Agency for cross-border power trade & negotiate with GoI on export and import of power including tariffs</p>	<p>Continuous</p>	<p>Timeline by which export and import of power including tariffs is negotiated with GoI</p>	<p>2024</p>	<p>2029</p>	<p>2025</p>	<p>2029</p>	<p>DoE</p>	<p>MFAET, DGPC, MoF, GoI</p>		

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						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
15.1 Demand Side Management (DSM) shall be a key component in reducing energy demand, enhancing efficiency in energy use, and increasing energy savings across all sectors	Create awareness on EE&C and encourage the use of energy efficient technologies	Continuous	No of awareness/ outreach program on EE&C conducted	Videos, brochures, pamphlets distributed and drawing competitions conducted in the schools since 2016	Atleast 3 awareness and outreach program conducted	2025	2027	EIMD-DoE	WWF-Bhutan	Committed	No
15.2 The DoE shall promote energy efficiency and conservation by enforcing Energy Auditing & Certification programs for Energy Intensive Consumer (EIC) in line with the national Energy Efficiency Roadmap	Revision and adoption of Energy auditing and reporting guideline (EARG)	Medium-term	Timeline by which the effectiveness of the previously developed EARG is assessed and revised considering the latest technology trends	EARG for building & industries 2020	Revised EARG 2027	2026	2027	EIMD-DoE	DoI, DHS, DECC, BCCI, ABI	Uncommitted	
	Conduct Energy auditing for Energy Intensive Consumers (EICs)	Medium-term	Timeline by which Energy audits are conducted for the EICs.	0	Energy audits conducted in the EICs by June, 2030	2027	2030	EIMD-DoE	DoI, BCCI, ABI, DHS, Technical Institutes	Uncommitted	
15.3 The DoE shall develop and implement standards and labelling programs to encourage the adoption of energy efficient technologies and appliances across industries and households.	Develop the standards & labelling scheme for appliances in the country.	Immediate	Timeline by which the Standards and Labelling Scheme is developed	Standards & Labeling Scheme for Energy Efficient Appliances - Baseline and Economic Analysis 2018	S&L scheme developed by 2026	2023	2026	EIMD-DoE	BSB, DoT, DRC, CCAA, BCCI, Bhutan Hardware Association (BHA)	Committed	
	Develop Minimum Energy Performance Standard (MEPS) for priority appliances and household equipment	Immediate	Timeline by which MEPS for the three priority appliances developed		MEPS for the three appliances developed by 2026.	2023	2026	EIMD-DoE	BSB	Committed	
	Voluntary implementation of S&L scheme	Medium-term	Timeline by which voluntary of S&L scheme is implemented		Voluntary of S&L scheme implemented by 2029	2026	2029	EIMD-DoE	BSB, DoT, DRC, CCAA, BCCI, Bhutan Hardware Association (BHA)		

	Mandate public procurement preference for labelled products	Medium-term	Timeline by which public procurement preference for labelled products is mandated		Mandate public procurement preference for labelled products by 2028	2026	2029	EIMD-DoE	MoF	Uncommitted	
15.4 The DoE shall facilitate the development of Building Energy Efficiency Codes to improve energy conservation in the building and residential sectors ensuring a sustainable living environment.	Develop and adopt Energy Efficiency codes for buildings	Medium-term	Timeline by which Building EE codes for Building is adopted	Bhutan Green Building Guidelines 2013	Finalize and adopt building EE codes for buildings by 2030	2026	2030	DHS	DoE	Uncommitted	Yes
	Implementation of EE codes in Energy Intensive Buildings	Medium-term	Timeline by which mandatory Building EE codes is implemented		Implementation of EE codes in Energy Intensive Buildings by 2035	2030	2035	DHS/DoE	Thromdes, Building owners	Uncommitted	No
15.5 The RGoB shall continue to support and promote sustainable transportation systems including e-mobility, hydrogen fuel cell electric vehicle (FCEV), hybrids, biofuels as well as other emerging technologies.	Conducting feasibility studies on the green/bio fuels	Immediate	No of feasibility studies on green/biofuels carried out	National Hydrogen Roadmap	Atleast 2 feasibility studies carried out by 2027.	2026	2029	EIMD-DoE			Yes
	Installation of Solar Charging Stations in Government Offices in Thimphu	Medium-term	No of solar charging stations installed	0	10	2026	2029	EIMD-DoE	Ministries	Committed	Yes
15.6 The DoE shall support the institutionalization of Energy Efficiency practices and provide capacity building programs for EIC, ensuring widespread adoption and implementation of energy saving measures.	Conduct Capacity Building and Training of Trainers program for the adoption and implementation of best energy efficiency practises in the EICs, and Buildings.	Immediate	Timeline by which capacity building programs are implemented.	NA	Atleast one capacity building program conducted by June,2026.	2025	2026	EIMD-DoE		Uncommitted	Yes
	Institutionalization of the Energy Auditing and Management program along with the certification mechanisms	Immediate	Timeline by which the Energy auditing and management program institutionalized along with the certification mechanism.	0	Certification mechanism introduced by December, 2026.	2025	2026	EIMD-DoE		Committed	Yes

Policy statement	Policy Action	Action timeline	Indicator	Baseline	Target	Timeline		Lead Agency	Collaborating Agencies	Resources	
						Timeline (Start Date)	Timeline (End Date)			Fund (committed/uncommitted)	Within 13FYP (Yes/No)
16.1 The DoE shall develop necessary frameworks, instruments, guidelines and strategies to implement the policy and achieve its objectives.	DoE shall develop necessary frameworks, instruments, guidelines and strategies to achieve policy objectives	Long-term	Timeline by which necessary frameworks, instruments, guidelines are developed (SOP for solar allocation, SOP for other RE projects, Tariff determination guideline, CA frameworks hydro & solar, Revision of royalty framework, Solar roadmap, NTGMP, GH2 roadmap, etc.)		2027	2025	2029	DoE			