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SmartPower
Myanmar

COUNTRY ASSESSMENT REPORT Myanmar

Version: 1.0

Release Date: 09 March, 2026

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1.1 Country Assessment Report - Myanmar

Country Name	Myanmar
Introduction	Myanmar hosts abundant renewable energy resources, and supporting the deployment of renewable power generation, particularly in the corporate and industrial (C&I) segment can significantly improve quality of life and economic productivity for the country. Myanmar has long struggled with low levels of electrification, holding the lowest grid-connected rate in Southeast Asia at just 38% in 2016-17, though this marked a significant increase from 16% in 1995. By 2019, electrification had risen to 50%, with urban areas like Yangon City leading at 83%, followed by Loikaw (77%), Mandalay (56%), and Nay Pyi Taw (39%). However, in recent years the growth has stopped, reducing access to reliable electricity, and significantly affecting power supply across the country.

1.2 Electrical Generation and Demand

Generation	Technology	Capacity (MW)
	Wind	N/A
	Hydro	3,262MW (2024)
	Fossil/Thermal	2,732MW (2024)
	Biomass	N/A
	Solar	182MW (2024)
	Total	6,176MW (2024)
Demand	Sector	% of demand
	Industry	20.9%
	Residential	22.7%
	Commercial & Public Services	38.1%
	Other	18.3%
	Total	100%

Generation figures above are peak loads as estimated by World Bank in 2024:

<https://www.worldbank.org/ext/en/country/myanmar>

https://www.eria.org/uploads/media/Books/2023-Energy-Outlook/18_Ch.12-Myanmar.pdf

<https://www.iea.org/countries/myanmar/electricity>

1.3 Electrical Interconnection and Import/Export

Connected country	Capacity (MW)	Annual import from country (GWh)	Annual export to country (GWh)
China	600		200MW Allocation
Additional information	Cross-border electricity connections have existed between Myanmar and China for years, allowing import and export between two of Myanmar's hydropower plants and China. In 2020, Myanmar exported approximately USD \$34 million worth of electricity to neighbouring countries, though specific details about these exports are limited. One known example is the Shweli 1 hydropower plant, which exports 200 MW of its 600 MW capacity to China. Myanmar's cross-border energy trading is primarily governed by the Electricity Law of 2014, which outlines the legal framework for electricity generation, transmission,		

distribution, and trade within and beyond Myanmar's borders. This law empowers the Ministry of Electricity and Energy (MOEE) to oversee and regulate cross-border energy transactions. In addition, in March 2018, Myanmar, China, and Bangladesh signed an agreement on trilateral power trade.

Since early 2023, electricity imports from China to Myanmar's border trade posts have increased. While expanding the power import-export capacity between the two countries remains feasible, progress on building the necessary infrastructure has been slow. A project to import 1,000 MW of power via a high-voltage transmission line between Northern Shan State in Myanmar and Yunnan Province in China has been under discussion for years. Although included in Myanmar's Generation Plan 2018-19, with a completion target of 2025, technical and commercial discussions between the utilities have made little progress, and construction of the high-voltage transmission line has yet to begin on either side.

1.4 Market Structure

Electricity Power Generation Enterprise EPGE, the entity then responsible for gas fired electricity generation and transmission, was the single buyer having the authority to purchase electricity from different operators including IPPs through individual power purchase agreements and sell it to state-owned distributors. In 2016, Myanmar Electric Power Enterprise's functions were split between the Power Transmission and System Control Department and EPGE. Single buyer responsibility is now allocated to EPGE.

The private sector has previously demonstrated strong interest in developing commercially operated power plants. These projects are at various stages of development. Since 2013, 620 MW of gas-fired IPP projects have been added, representing 40% of the total gas-fired power output. Since 2021, participation among the private sector in funding new power plants has been reduced.

1.5 Responsible Government Department

National actors manage much of Myanmar's power infrastructure, and the country has experienced challenges in implementing renewable energy projects in recent years. The lack of established regulatory mechanisms for renewables, combined with bureaucratic challenges, have lead to delays and inconsistencies in project execution. These factors pose risks for developers and investors engaged in public works. Given these challenges, partnerships with the private sector or development agencies may offer more reliable and efficient support, particularly in commercial and industrial (C&I) solar projects.

The regulatory framework for the power sector in Myanmar includes the Electricity Act of 1948 (as amended in 1967), the Myanmar Electricity Law (1984), the Electricity Rules (1985), Updated Electricity Law (2014), and Electricity Rules (2015).

The power sector is under the mandate of Ministry of Electric Power (MOEP) and the Ministry of Electricity and Energy (MOEE). The ministries have distinct responsibilities, although they are closely related, as both play important roles in managing the country's energy and electricity sectors:

- **Ministry of Electric Power (MOEP):**
The MOEP historically focused on electricity generation, transmission, and distribution in Myanmar, specifically overseeing the operation and development of power plants (hydropower, thermal, and renewable energy) and the national grid. The ministry's primary role was to ensure the country's power generation capacity and electricity distribution to meet growing demand.
- **Ministry of Electricity and Energy (MOEE):**
The MOEE was established as a broader ministry that merged responsibilities for electricity and the energy sector as a whole. It manages not only electricity generation and distribution but also

oil and gas exploration, production, refining, and distribution. The MOEE plays a more comprehensive role in Myanmar's energy infrastructure, covering both the power (electricity) sector and the upstream and downstream sectors of oil and gas.

1.6 Existing/Planned Legislation

The regulatory framework for Myanmar's power sector is established through several key pieces of legislation. The Electricity Act of 1948 (amended in 1967) provided the initial legal basis for electricity generation, transmission, and distribution. This was followed by the Myanmar Electricity Law of 1984 and associated Electricity Rules of 1985, which further defined the regulatory structure. The Updated Electricity Law of 2014 and corresponding Electricity Rules of 2015 represent the most current legislative framework, providing the legal basis for electricity generation, transmission, distribution, and cross-border trade, and granting regulatory authority to the Ministry of Electricity and Energy (MOEE).

There is currently no dedicated renewable energy law or policy framework specifically mandating or incentivizing renewable energy deployment. However, in April 2023, the Ministry of Planning and Finance introduced exemptions from customs duties for solar panels and related components under the Union Tax Law 2023. These exemptions cover solar panels, charge controllers, inverters, and installation systems when imported together with photovoltaic solar controllers and batteries. While this has improved the cost-competitiveness of solar equipment, the import process can still be subject to delays.

In addition, in March and April 2023, the Electricity Supply Enterprise and Yangon Electricity Supply Corporation introduced feed-in tariffs for small-scale solar systems in Nay Pyi Taw and Yangon, allowing solar power producers to sell surplus electricity back to the national grid. The tariff is set at 80–85 MMK/kWh. However, as this rate is significantly lower than the cost of grid-supplied electricity (which ranges from approximately 3 to 500 MMK/kWh depending on consumption tier), the feed-in tariff has seen very limited uptake in practice.

No major new energy legislation is currently planned or under development at the time of writing.

1.7 Environmental and Renewable Electricity Legislation

Myanmar does not currently have dedicated environmental legislation specifically targeting greenhouse gas emissions from the electricity sector or mandating renewable energy targets. The Environmental Conservation Law of 2012 provides a general framework for environmental protection, including provisions for environmental impact assessments (EIAs) for large-scale energy projects. The Environmental Conservation Rules of 2014 further detail the EIA process, which applies to power generation projects above certain capacity thresholds.

Myanmar submitted its Nationally Determined Contribution (NDC) under the Paris Agreement, which included aspirational targets for renewable energy and energy efficiency. However, there are no binding domestic laws or regulations that translate these commitments into enforceable requirements for renewable electricity generation or consumption. There are no renewable portfolio standards, green certificate obligations, or carbon pricing mechanisms currently in effect.

As noted in section 1.6, the customs duty exemptions for solar equipment introduced under the Union Tax Law 2023 represent the most significant recent policy measure supporting renewable electricity deployment.

1.8 Existing/Planned Certificate or Support Systems

Currently, there are no existing energy certificate systems available to renewable energy developers in Myanmar.

As part of its commitment to develop a robust Distributed Renewable Energy market in Myanmar, Smart Power Myanmar actively seeks partners capable of managing Renewable Energy Certificates (RECs), helping project developers gain financial benefits for using renewable energy. By leveraging RECs, developers can monetize their sustainable energy use, strengthening the economic feasibility of their projects while contributing to Myanmar's clean energy transition.

1.9 Extent of Engagement with Government

N/A

1.10 Expected Response from Government

N/A

1.11 Proposed Restrictions

As there are no existing national energy attribute certificate or tracking systems in Myanmar, the risk of double issuance or double counting with a domestic scheme is minimal. The following restrictions are proposed to preserve the environmental integrity of the I-REC(E) system in Myanmar:

Eligible generation technologies should include solar PV, wind, biomass, and small-scale hydropower. Large hydropower projects (above 25 MW) may warrant additional scrutiny to ensure compliance with environmental and social standards. Devices registered under the I-REC(E) system must have verifiable metering in place to ensure the accuracy of generation data. Where feed-in tariffs or other government support mechanisms include the transfer of environmental attributes to the grid operator or government entity, generation from such devices should be excluded from I-REC(E) issuance to avoid double counting. At the time of writing, the feed-in tariff introduced in 2023 does not explicitly address the ownership of environmental attributes, and this should be monitored as the policy evolves.

No additional country-specific restrictions on eligible participants or product types are proposed at this time.

1.12 Any Other Relevant Information

RE Market Potential

Historically Myanmar has benefitted from renewable energy due to the many grid-connected hydropower plants. With installed hydropower capacity of ~3.2GW, hydro provides up to half of all power supplied to the national grid. However, due to financial, maintenance, security and logistics constraints, many of Myanmar's hydropower turbines are either turned off or only operating intermittently. According to World Bank estimates, the aggregate power output of Myanmar's hydropower plants is only at about 50% of installed capacity. While the hydropower potential of Myanmar is vast – as much as 39GW – development of hydropower plants has slowed, and potential concerns around the environmental impact of developing new dams for hydropower.

Myanmar's theoretical solar energy potential is estimated at about 51,973.8 TWh per year. The solar radiation intensity in Myanmar is more than 5 kWh/m²/day during the dry season. In the context of this large potential solar resource, the large decline in the costs of solar PV modules and enabling technologies provides Myanmar with the opportunity to also significantly decarbonize its electricity system.

DRE solar installations may continue to drive progress of renewable deployment, catalyzed by private financing from local commercial banks and some international donors.

Historical support or development of renewables in the country/region

Myanmar has installed 182 MW of grid-connected solar PV power plants to date. Given the lack of new utility-scale solar projects to help bridge the country's growing supply-demand gap, off-grid DRE solar has emerged as the most accessible and reliable alternative. Many businesses have already installed rooftop solar systems, and several companies are offering solar home systems to households. Banks are increasingly willing to lend to businesses seeking capital for solar installations. This shift has been further accelerated by the sharp rise in diesel prices, leading to sustained demand for off-grid solar solutions.

As of April 2023, the Ministry of Planning and Finance announced exemptions from customs duties for solar panels and related components, including charge controllers, inverters, and installation systems, under the Union Tax Law 2023. These exemptions are applicable only when the components are imported together with photovoltaic solar controllers and batteries. While this move has made solar systems more accessible to businesses, the bureaucratic customs process can still lead to significant delays in the import of solar panels and equipment.

In March and April 2023, the Electricity Supply Enterprise and Yangon Electricity Supply Corporation introduced feed-in tariffs for small-scale solar systems in Nay Pyi Taw and Yangon. The tariff is set between 80-85 MMK/kWh, which is significantly lower than the cost of grid-supplied electricity (between 3-500 MMK/kWh), making the feed-in tariff largely unattractive for power producers.

Demand-side market potential or strategic nature of market development

Myanmar's demand-side market potential for renewable energy, particularly off-grid solar, is significant due to its large rural population, high reliance on diesel generators, and unstable grid supply. The surge in diesel prices in recent years have heightened demand for alternative energy sources. Small and medium-sized enterprises (SMEs), especially in agriculture and manufacturing, are increasingly seeking solar solutions to reduce costs and improve reliability. The strategic development of this market hinges on expanding financial support mechanisms, fostering partnerships, and simplifying regulatory processes, which will enhance access to affordable solar technologies and drive long-term sustainable growth in Myanmar's energy sector.

1.13 Author

Organization Name			
Smart Power Myanmar (Engaged Communities, Ltd.)			
DATE	09	03	2026

