The main legal framework for developing, operating and selling renewable power is laid out in Article 61 of the Law on Modification of Energy Consumption Patterns, adopted in 2016, and the Sixth National Development Plan (2017). The Ministry of Energy has a dedicated renewable energy arm called the Renewable Energy and Energy Efficiency Organization (SATBA). SATBA is in charge of issuing licences for the establishment of renewable energy facilities; it also acts as the offtaker for the guaranteed purchase of the electricity generated by such facilities.

In 2015, the Ministry of Energy extended the duration of the guaranteed-purchase contracts from five to 20 years to spur investment. The Renewable Energy Organization of Iran (SUNA) then announced plans, in May 2016, to raise the amount of guaranteed prices for electricity generated at plants built with local skills and equipment, in an attempt to boost domestic manufacturing and employment in this sector (Kahelsar, 2019).

Moreover, according to a law approved by the government cabinet in 2016, which makes reference to Article 138 of the Constitution, all ministries, government institutions and public non-governmental organizations, banks and municipalities are mandated to source 20% of their electricity consumption from renewable sources.

In addition, the Supreme Energy Council passed a law in 2018 on the Creation of a Market for Environmental and Energy Optimization. This law introduced incentives for consumers in the form of energy-saving certificates.

In the national budget for 2020–2021, there is a clause supporting the establishment of knowledge-based...