

Israel's solar power struggles against government(2)

BLAKE SOBCZAK - The Associated Press - Associated Press

KVUTZAT YAVNE, Israel (AP) — Israel has developed some of the world's most advanced solar energy equipment and enjoys a nearly endless supply of sunshine, but when it comes to deploying large-scale solar technology at home, the country remains in the dark ages.

Solar power provides just a tiny percentage of Israel's energy needs, leaving it far behind colder, cloudier counterparts in Europe. Israeli solar companies, frustrated by government bureaucracy, have taken their expertise abroad.

Fifty years ago, Israel was at the front of the pack, with simple solar water heaters on top of its apartment buildings. They're still there, but little else has moved forward.

Advanced solar power has come to the tiny community of Kvutzat Yavneh, but its small scale is more an example of what can be done than what has been done.

Nestled in grape vines and pomegranate trees in south-central Israel, the 16 glimmering installations, each of them four meters (14 feet) tall, are an odd sight in this traditional collective farm, which also features a pickling factory and a barn.

The solar panels provide the community with nearly all of its hot water, and the electricity they generate is sold to Israel's main energy provider, the Israel Electric Corp.

Miriam Schlusberg, a secretary at the kibbutz, said the 320 residents are "very excited" to get solar power in their backyard. But she also acknowledged that solar energy on a large scale "is not going to develop on its own unless people start investing in it."

The field in Kvutzat Yavne, built by the Israeli company ZenithSolar Ltd. in 2009, has a maximum capacity of about a quarter of a megawatt of combined thermal and electric power. That's not even a dent in Israel's overall capacity of some 12,000 megawatts.

"This is, unfortunately for us, our only project in Israel," said Roy Segev, co-founder of ZenithSolar. "I think there was a poor policy from the Israeli government. It was a total neglect of the possibility to create a big industry in Israel."

Segev said there has not been enough government investment in solar manufacturing or startup companies. He pointed out that industry leaders such as Germany and Italy have outpaced Israel in solar development, despite having fewer

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sunny days and less powerful sunrays. The Germans, for instance, generate nearly 12 times as much solar power per capita as their Israeli counterparts, according to official statistics from both countries.

Israel has a solar capacity — the amount of energy it could continuously generate in ideal conditions — of 212 megawatts, most of which comes from rooftop installations, according to the electric company. That accounts for less than 2 percent of the nationwide capacity and falls well short of the country's 2014 goal of 1,480 megawatts from solar sources.

As a result, "no one in the international community is going to take Israel seriously going forward," said Jon Cohen, CEO of the Arava Power Co. "The natural resource exists, the real national need exist — it's really a mystery why (solar) is being blocked."

Cohen spearheaded Israel's first major commercial solar project, the Ketura Sun plant. The 5-megawatt facility is in the Negev desert, an arid, sparsely populated wedge of land that makes up the southern two-thirds of Israel. The area enjoys around 330 sunny days a year, making it an ideal site for solar power.

But no more large-scale projects have launched since Ketura Sun began operating in June 2011.

"We thought we'd be raising the pioneer flag," Cohen said, pointing out that his company fought for four years to get the necessary approvals and permits for the field. "We were hoping we'd have more to show on the ground promptly, and here we are a year later, and we haven't gone far."

There are some signs of change.

In March, Ashalim Sun PV, a U.S.-Israeli consortium, won a government tender to construct three major solar power plants in the Negev that will provide a combined 250 megawatts of power. The plant is not expected to open until 2015 at the earliest.

Cohen has 10 projects in the works that envisage producing a total of 100 megawatts when completed. Three are still awaiting government approval, a situation he described as "tense and endless."

Smadar Bat-Adam, chief of staff for Israel's Energy and Water Resources Ministry, acknowledged that red tape has been an issue. "We are trying to solve the bureaucratic problems," she said.

Bat-Adam said the overambitious 2014 target was set several years ago, before Israel had substantial solar infrastructure or regulation. While that may not be reached, she said Israel is on track to reach its 2020 benchmark of generating 10 percent of its electricity needs from renewable sources.

"When it comes to infrastructure projects, it always takes time," she said.

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Currently Israel gets most of its power from burning imported fossil fuels, but there is interest in developing alternative sources such as wind and solar. Israel is also rapidly developing natural gas reserves off its Mediterranean coast.

Recognizing solar power's potential, the Israeli government set up a "feed-in tariff" incentive in 2008, agreeing to pay developers higher-than-retail prices for solar energy fed back into the grid.

Because the government does not want to overpay, it has repeatedly adjusted the tariff as solar equipment has gotten cheaper. As a result, many large projects are on hold, awaiting a firm price.

Many analysts and industry professionals believe this uncertainty has hindered investment.

"The sad reality is that we've raised quite a lot from Israeli investors, and we are taking this money and investing it overseas because the industries are more consistent," said Nimrod Goor, a founding managing partner at Helios Energy Investments LP, an Israel-based infrastructure equity fund.

The situation has made some experts skeptical of Israel's commitment to harvesting its ample sunlight.

Uri Marinov, an environmental management professor at the Inter-Disciplinary Center in Herzliya and a former director of the Israeli Environment Ministry, said decision makers are making "big, big mistakes" through unnecessary regulations.

"Anyone who wants to build a solar field should be able to do it," he said.

Israel is still a leader in solar research and development. Segev teamed up with the Ben-Gurion University of the Negev to produce a little household system that reflects concentrated sunlight onto a receiver, producing electricity with roughly two times the efficiency of standard panels. Segev hopes the new model, named the Z10, will find a market in homes throughout Israel.

One of the Z10's advantages? "It doesn't need any government support or intervention to set it up," Segev said.

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