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15 new solar fields will produce 100MW of power

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Arava Power Company signs deals with 15 kibbutzim and moshavim to produce solar photovoltaic (PV) electricity.

The Arava Power Company (APC) announced Sunday that it had signed agreements with 15 kibbutzim and moshavim around the country to produce 100 MW of solar photovoltaic (PV) electricity.

One hundred MW represents fully a third of the 300 MW quota allocated for solar energy from medium-sized fields.

Having secured agreements with most of the kibbutzim in the southern Arava, with its abundant sunshine, APC made its announcement to coincide with the Eilat-Eilat International Renewable Energy Conference taking place next week.

Arava Power holds all the necessary licenses and permits to begin work, the company said, and the existing power lines are sufficient to transfer the electricity to the national grid as soon as the fields are built, APC President Yosef Abramowitz told *The Jerusalem Post* Sunday.

The medium-sized field – from 50 KW to 5 MW – market was opened recently when the Public Utility Authority- Electricity (PUA) announced the feed-in tariff of around NIS 1.60 per kilowatt hour.

The 100 MW is just the beginning, the company said. APC CEO Jon Cohen called on the National Infrastructures Ministry and PUA to raise the quota from 300 to 1,000 MW, thus expressing the company's confidence that solar energy has a bright future in Israel.

"We are implementing Prime Minister Netanyahu's vision to cease use of fossil fuels within a decade and [help Israel] develop alternative energies for itself and the world," he said, in a statement.

"The goal to produce 300 solar megawatts is an important step towards implementing the government's decision to produce 5 percent of Israel's energy consumption from renewable sources by 2014, but it's not enough: In order to achieve this goal, at least 1,000 megawatts are needed, and the market indicates that only mid-size solar fields can fill the gap faster than any other source," he said in a statement.

The other potential type of solar energy is solar thermal, which concentrates sunlight to heat water to power a turbine. PV converts sunlight directly into electricity. Abramowitz contended that solar-thermal fields could not be built fast enough to help reach the 2014 goal, whereas PV fields could.

Regarding additional solar capacity, a public hearing for the feed-in tariff for large fields is currently under way and Abramowitz said APC was ready to push forward in that arena as well – but not at the currently proposed tariff of NIS 1.05.

"We have told PUA that a tariff of NIS 1.05 is not financially attractive enough for developers. It needs to be at least NIS 1.40," he told the *Post*.

Given the right tariff, APC is ready to build large solar fields alongside each of the 15 medium-sized fields, the company said.

"We're in a huge growth period. In each of the 15 mid-size field locations, we are also planning to build a large-size field, adding another 500 megawatts to Arava Power's pipeline. Together with our partners from Siemens, we are weighing additional proposals from investors," Abramowitz said in a statement.

In order to connect those large fields to the grid, a new 161-kilovolt power line has to be run around or under Machtsh Ramon. The north-south line from Eilat to the center is mostly laid, except for the Machtsh Ramon part. APC and PUA have been in discussions about the best route for such a line.

APC has also suggested running a larger capacity high-voltage power line down to Eilat so that the area could provide energy to the center, but such a project is still pending approval and several years away from fruition, Abramowitz conceded.

Nevertheless, APC contended that it was ready to make a reality out of the Eilat-Eilat Regional Council goal of becoming an alternative energy center.

"With its plentiful sunshine and ample open space, Israel's Arava region has established itself as one of the most innovative solar hotspots in the world and Arava Power is leading the region's renewable energy efforts," said Udi Gat, Eilat-Eilat Regional Council head.

"The investment by Arava Power in this region underscores the important role we play as an incubator for supporting, advancing and promoting novel renewable energy initiatives."

Siemens Israel CEO Eliezer Tookman, APC's partner, added, "Siemens brings to the table vast knowledge and experience in complex project management from a technical standpoint, as well as training local technical teams in general, long-term strategic commitment, and expertise in maintenance and operation of projects and products for decades at the highest level. We anticipate and are readying ourselves for this task of building multiple fields, and hope that it's only the beginning of a solar revolution in Israel."

APC also released a graph showing its valuation rising from \$2.5m. in mid-2006 to \$48m. today. APC's initial and still current investors were American Jews recruited to the initiative by Abramowitz.

Siemens bought a 15% stake in APC a few months ago. Earlier this year, Siemens also bought Israeli solar thermal company Soleil for \$400m. Last week, the company announced it was ceasing to do business in Iran.

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