

PRESS RELEASE

Solar guru Jigar Shah: South Africa has to show leadership, not compliance, in solar policy

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It is not a question when or whether solar energy will become a cost-efficient alternative to coal-generated electricity. In quite a few parts of the world it already is, says international solar expert Jigar Shah. For this to become a reality in South Africa, government and Eskom, need to adopt a strategic mindset – not one of compliance.

“Solar power is a cost-effective electricity solution in various countries around the world –sometimes even without government subsidies. This is because of a $\pm 70\%$ price drop of solar panels in the past five years as well as a growing demand for power,” says Shah.

“As a result, in the US, solar energy without government subsidies has become a cost-effective electricity solution to 20% of Americans. This percentage was zero four years ago,” he notes, adding that rising prices of conventional electricity have a role to play too. “In the US, electricity prices have doubled since 2000 while the demand for power has increased. These trends will continue, and this will further drive down prices of solar energy.”

Shah was the first CEO of the Carbon War Room, a global organization founded by Richard Branson to help save the world from Climate Change. He will be speaking at the 2013 edition of ‘The Solar Future: South Africa’. This event is scheduled to take place on 12 February in Cape Town's Cape Southern Sun hotel, and aims to shed a thorough light on South Africa's solar energy potential.

According to Graeme Chown, executive director at energy and management consultancy firm PPA Energy South Africa, cost-effective solar power - even without subsidies - can become a reality in South Africa too.

“Solar panel prices in South Africa are dropping at around 10% per annum, which is pretty much on par with the rest of the world,” he says. “This among other things will bring down the price of solar energy in the Rainbow Nation in due course and make it even more competitive with conventional energy.”

This will coincide with the growing demand for affordable electricity and the conventional energy price hikes over the past four years: 27.5% for the 2008/2009 financial year, 31.3% in 2009-2010, 24.8% in 2010-2011 and 25.8% in 2011/2012. If Eskom gets its way, power will become 16% more expensive every year for the next five year.

To turn solar into a cost-effective solution in South Africa more is needed than cheap solar panels and a growing demand for power. The government and Eskom have to make sure that their solar mindset is about leadership and strategy, not of compliance, says Shah:

“If South Africa's solar programmes are about compliance and aimed at making the global community happy instead of wanting to strategically tackle the country's energy problems, the authorities will have to work a lot harder to make solar part of the solution. South Africa needs to really believe in the potential of the solar industry.”

Apart from addressing issues dealing with the question 'when will and how can solar become cost-effective in South Africa', the 2013 'The Solar Future: South Africa' will give an insight in the reasons why South Africa is such a great solar location, how global solar developments impact the cost of solar energy in South Africa, the position of solar in Eskom's future energy mix, what it takes to develop a large PV solar plant, and the reasons why solar could be the answer to the energy needs in the mining sector.

The conference line-up will, besides Shah and Chown, include Eskom's acting programme manager PV Tobias Bischof-Niemz, the National Treasury Karen Breytenbach as well as various representatives from the Department of Energy and leading energy contractors and developers from around the globe.

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