

\$200m deal to help Egypt on its way to becoming region's first gigawatt solar power provider

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A US\$200 million power deal in Egypt could help the country become the first gigawatt-scale solar photovoltaic (PV) market in the Mena region in the next two years.

The Italian firm Building Energy signed a memorandum of understanding with the New & Renewable Energy Authority (NREA) for two 50 megawatt PV plants. The project will be built in Upper Egypt in the city of Benban, to supply electricity to about 50,000 homes and create 1,000 jobs, Building Energy said.

There has been a great deal of interest in the North African country's power sector over the past few months, with Egypt looking to produce at least 20 per cent of its total output from renewable energy sources by 2020.

In Egypt's first renewable energy tender at the beginning of the year, the solar segment was oversubscribed, with 4,000MW of bids for 2,000MW worth of project capacity.

The government has also allocated 30 plots of land to each house a 50MW solar PV plant.

"Egypt could become the first gigawatt-scale market for solar PV energy in the Mena region by the end of 2017," said Cornelius Matthes, Mena managing director of Building Energy.

Mr Matthes said that with the strong interest and government readiness, Egypt could be a leader for the installed solar capacity for the region.

In comparison, Dubai has a 200MW second phase lined up for construction at the Mohammed bin Rashid Al Maktoum PV solar park, which when complete in 2030 will have an overall capacity of 3000MW.

Mohamed El Sobki, chairman of Egypt's New & Renewable Energy Authority (NREA), said in April that Egypt was targeting 18,000MW over the next five years, mainly through wind and solar power, requiring an investment of more than \$20 billion.

"Egypt has implemented a series of concrete steps to facilitate foreign investments to meet the increasing energy needs and support the economic growth of the country," Mr Matthes said.

He said that the company would reach financial close by next summer and is currently in discussions with a Dubai-based firm for financing.