



Southern African Regional Workshop on Concentrating Solar Thermal Power

On May 18th and 19th 2010, the Energy Anchor of the World Bank organized a regional workshop on project development opportunities for Concentrating Solar Thermal Power (CST) as part of the joint Energy Anchor - ESMAP program: Regulatory and Financial Incentives for Scaling up Concentrating Solar Power in Developing Countries. The workshop was held in Gaborone, Botswana and co-sponsored by the Ministry of Mines, Energy and Water Resources of the Government of Botswana. The objective of the workshop was to inform local experts from utilities and government institutions about different CST technologies and project development aspects in order to allow for a better assessment of potential CST development opportunities in the Southern African region.

CST has lately become one of the most-discussed options for scaling up renewable energy at the utility level, diversifying the generation portfolio mix, powering development and mitigating climate change in a variety of countries with suitable geographic conditions. Several factors – such as potential for decreasing costs and suitability for a central utility model – suggest that CST could contribute to low carbon alternatives to centralized power generation in many countries including the Southern African region.

The Workshop agenda comprised the following sessions: (i) an informational session on currently available technologies and their applicability to the Southern African market; (ii) an update on regulatory mechanisms for CST scale-up and their effectiveness in developed markets, namely in Spain and the US; (iii) a roundtable discussion of financial aspects of CST plant development with regard to concessional vs. commercial financing and an overview of the bankability of CSP technologies; (iv) an industry perspective roundtable discussing experiences in terms of how to develop, build, and maintain CST plants from companies that have already done it in Spain and the US; and (v) a roundtable discussion of the utility and IPP perspective on CST project development covering issues such as opportunities for indigenization, economies of scale and technology development, cost reduction opportunities and the perspective of utilities in the region on CST deployment.

During the course of the workshop multilateral and bilateral development banks clearly communicated the availability of financing for CST projects given that convincing and cohesive policy targets and sound regulatory fundamentals exist. Private sector financial institutions took a similar stand by expressing an interest in the technology under the condition of regulatory security, sufficient incentives for developers to cover the high-up front costs and the partial mitigation of noncommercial risks. Policy-makers showed high interest in the technology, but stressed the need for technical support and concessional financing from multilateral and bilateral development banks to handle the cost of incentive schemes for the technology.

The workshop was attended by high level policy makers, executives and officials of several line ministries, national electricity regulators and utilities from Botswana, Namibia and South Africa as well as a representative from the South African Power Pool; financing community representatives - both from multi- and bilateral development banks (AfDB, EIB, KfW) as well as from private sector financial institutions (Standard Bank); project developers (Areva Solar, Abengoa, and eSolar); other infrastructure companies operating in the region (Sojitz, Mitsui, and Itochu); local industry associations (the South Africa Thermal and Electricity Association --



SASTELA); as well as researchers both from the region (Renewable Energy & Energy Efficiency Institute - Namibia) and from Spain (the National Renewable Energy Center - CENER). The Energy Anchor, Africa Sustainable Energy Group, Botswana Country Office and IFC participated in the workshop on behalf of the WBG. The workshop's agenda as well as the related presentations and further material can be found under:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTENERGY2/0,,contentMDK:22609361~pagePK:210058~piPK:210062~theSitePK:4114200,00.html>