

New kid on the renewables block: Egypt is well on the way to realizing its outstanding solar and wind power resources

With a chronic electricity supply shortage, Egypt urgently requires additional generation capacity of 13 GW to meet soaring domestic power demands over the next five years. Egypt's recently announced, ambitious solar and wind procurement program, spearheaded by a generous FIT that aims to install 4.3 GW of wind and solar power by 2017, is capable of propelling the country forward as a renewable energy powerhouse in the near future.

Berlin, March 05, 2015 – A renewable energy market briefing released today by Apricum – The Cleantech Advisory outlines Egypt's ambitious push to install solar and wind power against a backdrop of dire economic and energy-related challenges. The cornerstone of Egypt's renewable energy program is a feed-in tariff (FIT) structure, announced in September 2014, under which 4.3 GW of solar and wind power will be procured by 2017.

The paper's author, Martin Mitscher, project manager at Apricum, explains the ambitions behind the FIT and the crucial next steps for the government in order to harness the enthusiasm of the market as well as the country's impressive solar and wind resources.

"After the FIT announcement, we saw a rush from local and international solar developers to get their foot in the door. A stunning 178 project proposals were submitted for more than double the announced capacity of 2 GW" said Mitscher. With 69 projects achieving qualification, the key step now for the government is to provide a bankable framework to potential debt providers so that developers can reach financial close.

Wind project developers also responded positively, however the 2.0 GW target was not completely met. A second procurement round to fill the remaining capacity is likely to be held sometime before July this year. In addition, a combined capacity of 720 MW of projects is currently under construction from the private sector thanks to the established merchant IPP scheme.

The FIT program has succeeded in attracting many well-known international industry heavyweights as well as local players keen to take a share in this growing market.

Mitscher believes Egypt can become a sizable renewable energy market in the short term, exhibiting the necessary key drivers of rapidly growing power demand, exceptional availability of solar and wind resources, and the need to reduce domestic fossil fuel consumption. "Egypt is definitely on the hot list of global renewable power developers at the moment. With well-managed implementation, Egypt could become one of the leading renewable energy markets in the MENA region in a short space of time" said Mitscher.

Mitscher estimates Egypt's solar PV market and wind market to each grow to around 2–3 GW cumulatively by 2020.

About Apricum

Apricum – The Cleantech Advisory is a strategy consultancy and transaction advisory firm. Apricum advises clients around the world on creating sustainable value and growth in renewable energy and clean technologies. Services include strategy consulting and market entry support as well as transaction advisory. Apricum brings together a unique team of experts in the cleantech industry, consulting, and corporate finance. Apricum is headquartered in Berlin and has representative offices in the USA, UK, Saudi Arabia, Mexico, Brazil, India, China, Turkey, South Korea and Japan.

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