

April Snapshot
by Kanav Duggal

Over the last three to four years, the renewable energy industry in the MENA region has experienced strong growth. Countries in the region have announced ambitious renewable energy production goals to help decarbonise their economies and manage the growing electricity demand.

Examples include the UAE's goal to achieve 50 per cent of clean energy generation by 2050, Saudi Arabia's push to install 9.5 GW of renewable energy capacity by 2023 and Jordan's strategy to generate 10 per cent of its energy needs from renewable energy sources by 2020.

The Middle East Solar Industry Association (MESIA) recently released its Annual Solar Outlook Report, which provides a high-level overview of the major developments in the MENA solar market from 2017 and a forward-looking outlook for 2018.

Based on the report, the growth prospects for solar in the MENA region remain positive, with over 12 GW of solar projects in the pipeline.

Based on the findings in the report and insights from the industry players, below are some of the main topics we expect to cover in more detail throughout the year:

Concentrated solar power

By the end of 2017, close to 5 GW of Concentrated Solar Power (CSP) projects were in operations globally. This is tiny when compared to the nearly 400 GW of solar PV installed globally. Therefore, there is room for growth in the CSP market, especially in the MENA region due to favourable levels of solar irradiation and strong support from regional governments in countries like Egypt, Morocco and the UAE.

While challenges to CSP deployment still exist (e.g. high capital expenditure costs, limited track record, limited number of equipment suppliers etc.), we can expect CSP deployment to increase within the MENA region.

The ongoing tender for the 800 MW Noor Midelt project in Morocco and the 700 MW DEWA Phase IV project in the UAE (still under negotiation) are examples of large scale CSP plants that will help promote growth of the technology in the region.

Rooftop and Building Integrated PV Projects

The rooftop and building integrated photovoltaic (BIPV) segment within the MENA region is still in its infancy. Countries like Jordan, Pakistan and the UAE already have regulations in place to promote residential and commercial and industrial rooftop projects, but for the rooftop and BIPV segment to increase its market share, governments across the region must not only implement the appropriate rooftop programmes (e.g., Net Metering Schemes) but must also actively engage with and educate customers about the benefits of rooftop solar and BIPV projects.

While funding from international financial institutions exists for utility scale projects, commercial financing for rooftop solar programmes is minimal, at least within the MENA region, so regional financiers and bankers need to be further educated on ways they can help finance rooftop solar projects to make these projects more appealing to potential customers.

In 2018, countries like the UAE and Egypt expect to add 40 MW and 50 MW of additional rooftop capacity respectively, while countries like Bahrain, Oman and Saudi Arabia recently announced that they will introduce rooftop programs, so the growth outlook for rooftop solar in 2018 looks positive.

Digital technologies

As new renewable energy projects begin to come online (especially large-scale projects), national grids could become overburdened with the increased loads and will be unable to cope if the appropriate infrastructure is not in place.

This can lead to load shedding and curtailment of power generated by renewable energy sources. National utilities in the region need to start thinking about the ways in which they can take advantage of innovations in the digital space to help optimise the ways in which their grids are managed. Although initial investment costs might be high, the investments to upgrade the grid and any ancillary systems will become a necessity for countries in the region, especially countries like Egypt, Morocco and Saudi Arabia, each of which plan to install at least two gigawatts (GW) of renewable power generation sources by 2020.

Over the course of 2018, MESIA will continue to monitor the major developments within the MENA region's solar industry and work with its members to publish content that delves into each of the aforementioned topics, among others, in more detail.



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