

Solar SURGE

MEP Middle East talks to one of the foremost advocates for solar power in the Middle East about the issues facing this nascent industry and what can be done to promote its growth

Over the last few years, and especially in the wake of the global financial crisis, talk about the benefits of solar energy in the Middle East has been rising. The interest in the industry has probably come most strongly from places like Abu Dhabi and Saudi Arabia. The respective governments of both these countries have been heavily involved in investigating the possibilities of this energy source.

However, aside from Abu Dhabi and Saudi Arabia, the interest in the wider GCC remains somewhat muted, while the industry itself faces numerous challenges to establish itself as a viable alternative energy source.

Amr Belal, cofounder and managing partner of Innovations Unlimited, an ambitious green energy innovation provider, points the finger at an environment that is not conducive towards private sector investment in alternative energy sources, such as solar power.

"We're trying to get there, but we're taking small steps to get us where we need to be. We need to make these smaller steps in shorter amounts of time, or start taking bigger steps to make these leaps forward," he says.

While European countries are promoting the use of solar energy amongst their populations, the GCC states have continued to remain reliant on subsidised electricity that is reliant on fossil fuels for its generation.

“ We need to make these smaller steps in shorter amounts of time, or start taking bigger steps to make these leaps forward.”

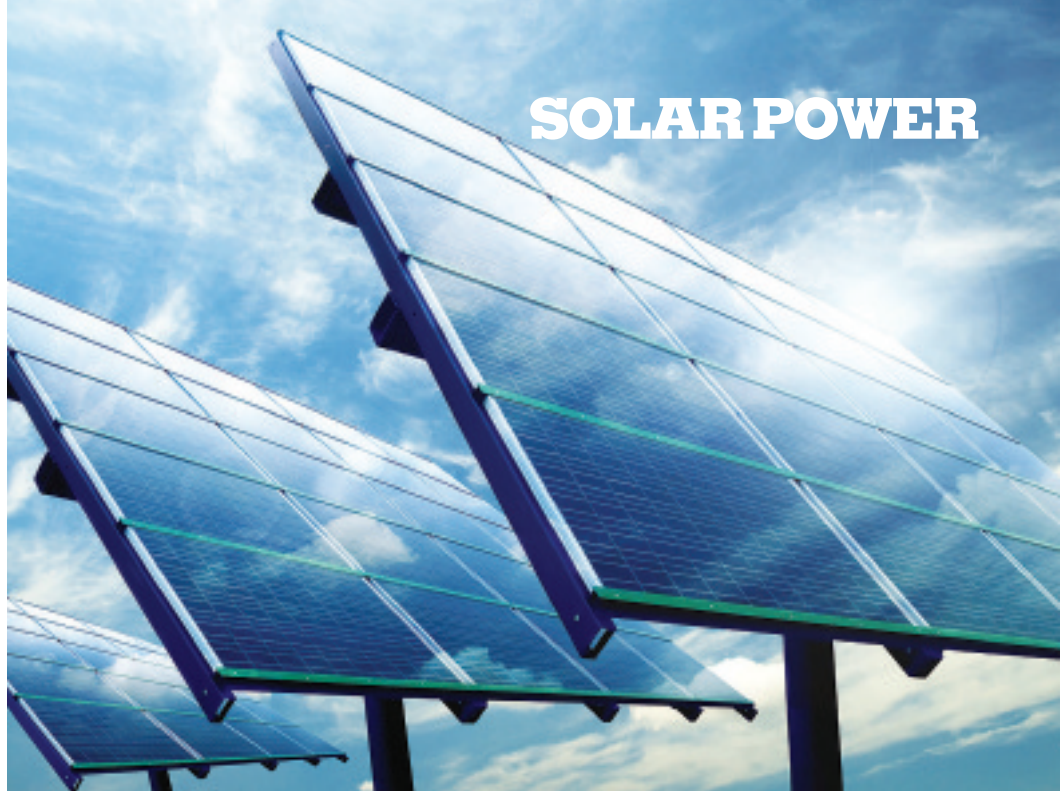
Amr Belal

“ The customer is expecting you to have experts that will explain everything before they make any decisions. ”

In stark contrast, countries like Germany, a world leader in photo-voltaic solar power, have used aggressive incentive programs to ensure that residents, from the major cities to the smallest villages, all have rooftop solar photo-voltaic installations.

Even hillsides that are too steep to be farmed have been utilised as bases for utility scaled solar arrays.

According to Belal, the average time it takes a European company to get a return on its initial investment in solar power is approximately seven to eight years. The corresponding figure in the GCC is a staggering 30 to 40 years, he says, which is a completely unrealistic time frame.



Solar power has been disregarded as an energy source in the Middle East.

“There has to be an economic incentive for people to move down that path. Even once they open up enough for the private sector to really start thinking about investments; it’s going to be an economic situation.”

The root cause of this is the subsidised electricity that end-users in the Middle East enjoy. As a result, rather than being eager

to embrace new technologies, they prefer to continue using inefficient and wasteful fossil fuel generated electricity.

It is to the European standard that Belal says the GCC should be modelling its solar power model on. He adds that the respective governments should open up their energy markets and allow people to make their own decisions.

SOLAR POWER

“There’s going to be a bottleneck because the governments have yet to embrace and open up some market modernisers so that people will be able to make their own decisions on how to invest and produce power and sell it back to the country,” he says.

“There’s no framework taking place in that regard. It will happen, this isn’t a complaint, but it’s going to take baby steps till we get there. A huge part of it is going to have to be the realisation of these early implementations.”

What can play a major role in convincing the market and reluctant governments to take up solar energy are if architects, consultants and major organisations take up a leadership role in adopting the technology and proving that it works.

This is why a project like Masdar City assumes greater prominence as it proves to the region that solar power can be effectively harnessed to run projects on a utility scale.

In addition, Belal suggests that governments can also take up the baton and show their people that the technology can work.

“[One] thing about Qatar is that they’re very serious about the environment and they’re very serious about certifications. Over here, every government building is mandated to achieve (at least) one certification. What happens is that designers for those buildings take into account space for solar photo-voltaic and some other pieces on the roof, and this represents a fantastic market for the private sector,” he says.

What this means is that on every government level, from the ministries to the Qatar Foundation and the state-owned oil and gas companies, there is a potential for solar companies to showcase their wares in a real world environment.

Belal says that this is essential as it encourages competition in the market place and provides more companies with a reason to put up a stake in the industry, and that can only be a good thing in the long term.

“This (government buildings) is a market that’s good enough for two or three companies, but to carry on a whole industry by itself, I don’t think so. But, I think this will create enough experience in Qatar to let it mature and take it to the next level.”

He adds that the best incentive for the market would be the subsidised pricing of produced output from solar producers.

This would allow it to compete with electricity prices on an even footing and would encourage increased investment from privately owned corporations.

A major problem that customers interested in solar power technology face is a lack of information available to them from the local



Amr Belal (second from left) and Innovations Unlimited are trying to promote solar energy in Qatar.

“We believe 100% that even today, when (the market) is not moving, the future is going to be incredible.”

Amr Belal

industry. So while the technology is available on the market, there is a significant lack of information about it, which is hindering efforts to promote it.

“There’s a lot of technology, but you have to be able to provide. Like any advanced technology, the customer is expecting you to have experts that will explain everything before they make any decisions.”

“So how are you going to provide the client, the government, the private sector, with the right information as quickly as possible? This is an issue,” Belal says.

Often, companies need to fly in overseas experts from Europe, Asia and the United States to solve these problems, which leads to additional expenses for both the client and

5GW

amount of solar power Saudi Arabia aims to generate by 2020

the company. The easiest way to rectify this is ensure that there is a local talent pool that is well versed in the technology and able to resolve any questions that customers may pose.

However, this is easier said than done, with companies reluctant to invest so much on what is still market potential.

“Companies will have to have guts and open up. [They] don’t feel that there’s so many incentives for them to open up and office here and have these expensive resources all the time.”

“What companies have to do is really believe in where this is going. We believe 100% that even today, when (the market) is not moving, the future is going to be incredible,” he says.

Finally, the issue comes back to the governments. Although Saudi Arabia is displaying some serious ambition in the solar power market, aiming to produce 5GW of solar power energy by 2020, Belal says there’s still more to be done.

“Each government needs to embrace this issue truly. They need to be leaders; it starts with them making a few large initiatives. Qatar is starting, there are a lot of tenders floating (around), a lot of design going on right now. Every country (in the GCC) needs to do that and more. Kuwait wants to do projects, great, start doing them. Bahrain, Oman, each one should harness the advantage they have naturally,” he says in conclusion.

“Governments need to really start understanding it’s not rocket science. Just put your requirement out there and let the private sector do the job, they’ll find it easier than they think. [KTR](#)”