

# Solar costs at an all-time low, despite what Eskom claims

 By [Nicci Botha](#)

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A global imperative to drive down the cost of electricity and greenhouse gas emissions means people have turned to renewables as the solution to the current energy challenges that the world faces. But, are these solutions a realistic and affordable alternative to traditional energy supplies?

In recent weeks, there seems to have been an about-turn in the department of energy's attitude towards renewables and a strong drive towards resuscitating the nuclear build programme. Environmental advocates say this is a move by Eskom to hold onto its monopoly and save face about its ill-fated newbuild coal-powered projects, all of which ran way over budget and time during their construction phase.

The renewable energy independent power producers programme (REIPPP) has so far proven to be a benchmark in public/private development partnerships. But not so long ago, Eskom CEO, Brian Molefe, stated that renewable energy was too expensive and the power utility would not be entering into any more purchasing agreements. While just yesterday, finance minister, Pravin Gordhan said in his mini budget speech that the nuclear programme would be going ahead with Eskom as the lead.



Source: Solar Capital

Yet according solar energy developer, Paschal Phelan, owner of the Phelan Energy Group and its subsidiary Solar Capital, solar power developers are competing to break world records to drive down the cost of solar power solutions.

Phelan explains that in a recent tender submission for the Abu

Dhabi Water and Electricity Authority (ADWEA) PV project, three of the bids submitted broke the previous world record for the lowest solar tariff in the world – of which the Phelan Tenaga Consortium bid was one.

The project is planned to be the largest international PV solar facility on the planet, and at a cost of ca. US\$700m, is already considered one of the world's most significant achievements in renewable energy.

Phelan says that the lowest weighted levelised electricity cost (WLEC) was 2,42 US cents per kWh for a proposed 1,170MW PV facility, with the Phelan Tenaga bid coming close to this at 2,598 US cents per kWh.

He points out that the Phelan Tenaga bid was more than 10% lower than the previous record for lowest tariff for a large-scale plant, currently being built in Dubai. "More importantly Phelan Tenaga and two other groups are the only solar energy developers ever to bid below 2,9 US cents per kWh."

Phelan further clarified that prices will vary between regions depending on solar irradiation, local content, building costs,

cost of funding and foreign exchange.

The group successfully delivered large scale solar plants, in excess of 175MW in South Africa, in the very similar desert conditions.

He adds that solar power is cheaper, safer and quicker with no ongoing carbon footprint. "It is the energy of now and the future. Fossil fuels in regions of reasonable sunshine should have taken the trail of the dinosaurs."

Phelan explains that the arrival of low cost solar power has taken many governments by surprise. "With the enacting of carbon tax legislation under their COP commitments, however, they will soon realise that solar energy is the future. The cost of battery storage for solar energy is on a similar downward trajectory and is now market competitive."

ADWEA is currently conducting due diligence of the three Preferred Consortia submissions and will announce the winning bid/s in November 2016.

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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