



Central North Regional Electricity Distributor (CENORED) CEO Mburumba Appolus and Robert Hopperditzel the owner of HopSol Africa during the

Cenored clients benefit from ppa

• YVONNE AMUKWAYA

The signing of the Power Purchase Agreement (PPA) of the HopSol Otjiwarongo Solar Photovoltaic Power Park will provide cheaper electricity to clients. HopSol Power Generation (Pty) Ltd and CENORED signed the first ever PPA between a regional electricity distributor (RED) and an independent power producer (IPP).

Households in the central-northern region are already benefitting from the lowest tariff increase in the country. CEO of CENORED Mburumba Appolus talked to Yvonne Amukwaya about the first Non-NamPower IPP in the country.

• How is the construction of the solar power plant progressing? Is the plant still scheduled to supply CENORED with electricity by November?

Yes, the plant is on track for November 2015. Thereafter we shall start on a further 5MW with HopSol in Grootfontein. Requests for Proposals shall also be advertised to allow other potential developers to submit bids for Tsumeb (5MW), Otavi (3MW) and Outjo (3MW).

• What sort of impact will the plant have on the electricity market?

This can be described as the Namibian electricity market taking 'baby steps' towards liberalisation as envisioned in the 1998 Energy Policy White Paper – baby steps in the sense that Namibia, with 4,5MW in operation and 5MW under construction, is years behind South Africa which in 4 years has deployed more than 6 000MW of wind and solar under its REIPP programme – bearing in mind that Namibia is blessed with some of the best conditions for solar energy in the world.

However, the good news is that developers now have an additional option of contracting with RED's, whereas in the past NamPower was the only option available to IPP developers. Our hope

is that IPPs will contract with our sister companies NORED and Erongo RED (subject to ECB regulatory approval). That is what Namibia needs.

• How will the supply of electricity from HopSol to CENORED impact current supply of electricity from NamPower to CENORED?

It will displace 5MW of NamPower supply during the day (when the sun is shining) and thus freeing these MWs for NamPower (either from not having to be imported in US\$ or available to other NamPower customers). The national electricity supply situation is tight so every available MW makes a difference.

• How will CENORED benefit from this initiative? Will the price of electricity decline for end-users?

Solar PV is now cheaper than NamPower average time-of-use tariffs (2015-16) for CENORED. So it makes sense for CENORED to go all out for solar PV. Our customers are already benefitting by the lowest tariff increase of 2,1% compared, with 9,4% for NamPower and 10% with the City of Windhoek, granted by the ECB for 2015-2016.

• Any additional information?

The CENORED board has endorsed the strategic intent that all our 8 towns have a solar power station in sizes ranging from 3MW to 10MW. So we hope to elicit a strong response from potential developers when we advertise our RFPs in the next three weeks. But already with the HopSol power purchase agreement CENORED is the largest solar off-taker in Namibia and we challenge our sister REDs to emulate us and even overtake us for the distinction of being the biggest solar off-taker. Solar energy is the one energy resource Namibia is blessed with (and is free) and it's a crying shame that we as a country have not embraced it to a greater extent (cold, cloudy Germany has 50 000MW of solar PV installed)