



PO Box 6148
Windhoek, Namibia
M +264 81 155 9775
F: +264 88 622 267
E: info@ean.org.na
W: www.ean.org.na

Namibia's Renewable Energy Feed-In Tarif (REFIT) Program, second year in – Jan-Barend Scheepers

The REFIT Program, initiated by the Electricity Control Board (ECB) has 14 Power Purchasing Agreements (PPAs each for 5MW), which were signed between NamPower and various Independent Power Producers (IPPs).

24 months after being launched, where do these 14 projects stand? Designed to add 70MW to the Namibian embedded generation capacity, five plants have been completed and commissioned (now selling energy to NamPower). These include: Grootfontein (Hopsol), Osona near Okahandja (InnoSun), Karibib (O&L), Lorelei in Rosh Pinah (Aloe) and Ombepo Wind in Lüderitz (InnoSun). Another six plants are hot on their heels and hope to be done by the end of this year. These six include: Ejuva 1 and 2 in Gobabis, Momentus Solar in Keetmanshoop, Camelthorn in Outapi, Alcon in Aussenkehr and Trekopie. The remaining three REFIT licences are all around Okatope and include Tandii, NCF energy and Unisun energy. It is hoped, these will be complete in the early months of 2018.

With eleven plants likely completed by Christmas, NamPower would have boosted local power supply by 55MW, around 10% of Namibia's demand. The original deadline had been July 2017; however, some projects experience unforeseen delays ranging from bad weather through to possible onsite landmines, none the less close to an 80% successful implementation rate by the end of this year for the REFIT program (a completely new sector) is not bad at all.

When asked what has changed in the grid and what developments might be beneficial into the future, several NamPower representatives mentioned generation intermittency as a concern and that the existing REFIT IPPs should consider and be allowed to upsize and add energy storage solutions to their existing plants. In laymen's terms, larger capacity and stored energy will help smoothen out sudden production troughs due to clouds, haze or drops in wind. This would reduce the burden on NamPower suddenly having to compensate for generation shortfalls due to bad weather. It is hoped that the ECB will favourably consider this in the near future as it would greatly improve reliability without greatly changing the nature of the REFIT program, neither Generation Licences nor the PPAs.

The ECB should strongly consider how to best handle the fact that Namibia has built up a capable domestic renewable installation industry; one of Namibia's few large growth sectors right now. Companies have purchased millions worth of equipment and trained hundreds of workers. Future projects can be built far quicker and cheaper now because the tricky learning curve is done. It would be tragic if this were the first and last for these types of projects. Each project has increased Namibia's tax base, with no government funding, and reduced the billions spent annually on energy imports. Similarly, if future projects are delayed by more than several months (past mid 2018), this installation industry with its workers will suffer. This is a test to see if the ECB can facilitate rather than stifle the sector's growth. As an example, just see the havoc caused to the renewable sector by Eskom's delays in awarding new renewable energy projects in South Africa. Considering the current financial climate in Namibia, it would be a shame to sink this new, competitive and highly productive strategic industry capable of financing itself. One which puts money into government coffers rather than taking.