

NEWS

HopSol succeeding where others are failing



> The Director of HopSol Africa (Pty) Ltd Dr Robert Hopperdietzel

> **Timo Shihepo**

Windhoek - Government guarantees and lack of financing for projects are just one of the many reasons Independent Power Producers (IPPs) are struggling in SADC, however one company, HopSol Africa has defied all the odds to set a strong lead in the region.

HopSol which has developed and operate power plants in Namibia, Zambia, Zimbabwe

and Mozambique has emerged from the lion's den in which other IPPs are still struggling to even just show their teeth.

To put it in context, for instance, the Electricity Control Board of Namibia (ECB) has issued 35 IPP licenses to date but only two are operational. These are HopSol's 5MW Solar PV project in Otjiwarongo, and a 4.5 MW Omburu Solar Power Plant near Omaruru. HopSol is also developing a third solar plant of a similar capacity Grootfontein is also owned by HopSol. Omburu plant at Omaruru in Erongo region is owned by the Franco-Namibian company, InnoSun.

How are they getting it so right?

The Director of HopSol Africa (Pty) Ltd Dr Robert Hopperdietzel told The Southern Times that the company moves very quickly ahead and that their small projects of installing solar panels on many buildings convinced financial providers that they are the real deal to set up power plants.

This even convinced one of the country's banking institutions, Standard Bank of Namibia to provide them with N\$120 million (US\$7 million) to construct a 5MW Solar PV project at Otjiwarongo in Otjozondjupa region.

Standard Bank recently committed another N\$120 million towards the construction of another of a similar capacity at Grootfontein the same region due for commissioning in June 2016.

"The biggest challenge that everyone is facing especially for the IPPs who are just starting, is the financing of the projects.

"What we have learned here (in SADC) is that getting finance is rather a difficult discussion with the banks.

"With us we found a good financing with Standard Bank. We have already started building the new plant and have already put in the foundation.

"We have a very good financing support from Standard Bank as they are not only financing one HopSol project they are financing several of our projects as well," said Dr Hopperdietzel.

He said the management of Standard Bank was impressed by the quality of work that they have done before, adding that: "Perhaps this was our biggest advantage because other IPPs don't have anything to show for it yet in Namibia.

"Also HopSol has done a lot of work in the market for example we have installed solar panels to all Woerman Brock supermarkets and many more malls and buildings around the country. So for Standard Bank we had a lot to show for it."

HopSol have so far installed about 150 000 solar power panels in Namibia. And what other start-up IPPs need to learn from HopSol?

"I think what makes the difference is that the whole process of getting an IPP license and the Power Purchase Agreement (PPA) is rather complex and you must really provide a lot of documents and its required that you work really thoroughly, on a very high quality level to get all these issues resolved.

"When you only work on the surface

and sometimes a lot of people in Africa are doing that, by doing things rough that will not work and it won't get you an approval for these types of projects. So you must really work to the point," Hopperdietzel said.

He said there is definitely a need for more IPPs not just in Namibia but the whole of Southern Africa.

He called for construction of more solar power installations in the region, because of power deficit and solar power plant is the fastest way to create additional capacity to produce electricity.

Namibia has a demand of about 500 - 600 Megawatts (MW) and currently there have been only two IPPs of about 5 megawatts each and Hopperdietzel noted a lot needed to be done to increase capacity.

"I think if Namibia can have 25 megawatts from IPPs than that's better. SADC is one of the regions with the highest radiation worldwide. Solar power is even a clean way to produce electricity.

"How are they getting it so right?"

"So it's really a no-brainer but at least when I am looking at the projects we are involved in and those that we are planning for the

future, there is an indication that there will be a lot of solar panels around the SADC region," he said.

Although HopSol was fortunate enough that it never needed any government support or guarantee, Hopperdietzel he is happy that policies in SADC are moving towards the direction of renewable energy, although at slower pace.

"The business environment we are operating in with NamPower and Regional Electricity Distributors is very good because it's based on a professional basis.

I must admit we get really good support from the ECB as well. From my perspective there have been no complaints in Namibia and in the surrounding countries as well."

Another advantage that HopSol might have over other IPPs is that they have tapped into the market of low income earners by having a package that goes for as little as N\$1000 (US\$63) for people to power their houses.

"To have stable situation in the national grid it must always be a mixture of different technologies, it must not be only solar but it must be for example biomass, you must have supply with base load as well as conventional solutions," he said.