

## **PARTNERSHIP INITIATIVES INFORMATION SHEET**

WSSD Type II Partnership Registration

### **Name of the Partnership/Initiative:**

Market Facilitation Partnership for Concentrating Solar Power Technologies

**Date of initiation:** Berlin, June, 20 2002

**Expected date of completion:** open ended

### **Key Partners involved**

#### Governments:

Participants of the Berlin CSP conference (see annex)

#### Lead Partners:

Federal Ministry for the Environment (BMU), Berlin, Germany, and  
Federal Ministry for Economic Cooperation and Development (BMZ), Bonn, Germany

#### Intergovernmental organizations:

United Nations Environment Program (UNEP)

International Energy Agency – SolarPACES

#### Major groups:

CSP Industry, Utilities, Independent Power Producers, Financing Institutions, Energy  
Market Regulators, Science and Technology (see annex for a full listing of all  
participants)

#### Other:

Kreditanstalt fuer Wiederaufbau (KfW, German Development Bank)

California Energy Commission

#### Leading Partner/Facilitator:

UNEP-GEF Technology Transfer Networks

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### **Main objectives of the Partnership/Initiative**

This Partnership was founded during the “International Executive Conference on Expanding the Market for Concentrating Solar Power” on 19 –20 June 2002 in Berlin. The presentations and discussions resulted in the following common understanding about the qualities of concentrating solar power (CSP) :

- CSP provides sustainable, clean, affordable and reliable energy supply over a range of sizes from 10 kilowatts to 200 megawatts.
- CSP plants have proven in more than 100 accumulated operating plant years to be the most efficient technology for direct use of the inexhaustible solar energy.
- CSP plants can provide dispatchable power with back up via thermal storage and/or the hybrid mode.
- CSP helps to minimize climate change impacts by replacing fossil energy sources.
- CSP is an appropriate technology for supporting independence from fossil resources, in particular for developing countries.

A promising base of more than 10 CSP power project opportunities was reviewed by the members of the partnership at the conference. Realising these projects will allow a significant reduction in power generation costs.

The Partnership is a collective effort and strategy supported by the endorsers of the Declaration of Berlin (see attachment) to promote CSP by removing existing investment obstacles and by facilitating the market penetration. It responds to critical clean technology transfer and market development issues. Uneven playing fields and policy frameworks, needs for customized financing modalities, public-private market entry risk sharing and market aggregation opportunities shall be addressed jointly to achieve economies scale.

The partnership aims to contribute to WSSD objectives by helping to expand a global market for CSP. In particular developing countries are in need for sustainable energy solutions that make them less dependent on fossil fuel imports. A reliable clean energy supply is considered as key prerequisite for the development of key economic sectors providing the jobs that are ultimately required for successful poverty alleviation. Additionally sun-rich developing countries might even use renewable energy as a valuable export product.

### **Expected results**

The participants of the International Executive Conference on Concentrating Solar Power declared their commitment to collaborate in the formulation of a structured initiative to develop and expand the global CSP market for the benefit of all involved partners and in support of broader environmental and development objectives.

Agreement was reached on the following next steps:

1. Working groups will be formed by interested stakeholders from solar system suppliers, IPP developers, potential project owners, the financial community and government.
2. These groups will contribute to the formulation of an integrated long-term market introduction strategy, including innovative financing schemes, identification of necessary energy-economic frameworks and consistent regulations, as well as

potential mechanisms for aggregated bidding, risk sharing and comprehensive performance guarantees. The UNEP- GEF Technology Transfer Networks will provide administrative support and assistance.

3. The groups will cooperate and join efforts in promoting CSP with existing institutions like the European Solar Thermal Industry Association (ESTIA), the United States Solar Energy Industry Association (SEIA) and IEA SolarPACES
4. Therefore all participating Stakeholder Groups in this Berlin Conference support the launching of a CSP Global Market Initiative which will be further substantiated at the follow-up conference in California in Spring 2003.

### **Specific targets of the Partnership/Initiative and timeframe for their achievement**

The CSP industry anticipates reducing solar power generation costs by 20% once 400 Mwe of new solar capacity has been implemented. Upon reaching 5,000 Mwe of new solar capacity, solar electricity generation costs will be fully competitive with fossil-based grid-connected power generation costs.

## **Coordination implementation and financing mechanism**

The communications required for further developing the partnership and specific market facilitation modalities will be coordinated by the UNEP-GEF Technology Transfer Networks. Individual Investments will be pursued by the interested utilities in cooperation with the CSP industries and mainstream financing institutions\*. Public and private financing are being sought to build additional CSP power plants in several developing and developed countries, and numerous incentives are available to support those projects.

Governments and power market regulators, in consultation with CSP industry, utilities, financing partners and other stakeholders, will address necessary playing field improvements.

## **Arrangements for funding**

See above.

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\* Financial support for 3 pioneering CSP investments in developing countries was approved by the GEF prior to this initiative.

**Arrangements for capacity building and technology transfer**

Increased transfer of reliable CSP energy technologies to developing country markets and widespread replication of successful investments will be a prime result of the partnership.

**Links of Partnership/Initiative with on-going sustainable development activities at the international and/or regional level**

UNEP and other partners in this initiative directly support the UN Millennium Declaration focused on poverty alleviation and sustainable development.

**Monitoring arrangements**

A steering group, representing the key stakeholder groups in this partnership has been formed. The group will engage in continuous progress and impact monitoring, and recommend adjustments to the strategy as appropriate.

**Other relevant information**

Web-site: [www.sustainablealternatives.net/csp](http://www.sustainablealternatives.net/csp)