

State of Israel

Ministry of National Infrastructures

Dr. Avraham Arbib
Deputy Chief Scientist and Director, Division of R&D
Ministry of National Infrastructures
Phone: +972 2 5316128, aarbib@mni.gov.il

Q & A on Renewable Energy Policy in Israel

A/- Which are the main characteristics of the national policy for renewable energy: quantified targets, preferred technologies, offered incitements.

- A recent Government resolution mandates a minimum quota of 10% for electricity from renewable energy resources by 2020. Presently only about 0.1% of electricity is generated from renewables. The renewable resource with the highest potential is solar energy. Wind energy and energy recovery from waste have a lower potential. Other resources are not relevant to Israel.

B/- The existing mechanisms for the development of means of generation of low carbon energy : characteristics of the contracts for the acquisition of electricity for power plants currently in operation (power purchase agreements - PPA), modalities of the calls for tender for envisaged projects, possibilities of non competitive offers, existence (or not) of specific acquisition prices (feed - in tariffs) for renewable energies, in comparison with the reference prices for acquisition of electricity resulting from carbon sources, characteristics of these tariffs and effective implementation.

- The Public Utility Authority has published feed-in tariffs for renewables:
 - 0.06110 - 0.09692 NIS/kWh environmental premium above generation costs, for most renewables;
 - for large-scale solar powerplants: 0.8760 NIS/kWh for 100kW - 20 MW; 0.7005 NIS/kWh above 20 MW (solar fraction only - guaranteed for 20 years).
- Feed-in tariffs for PV systems up to 50 kW_p entered into effect on July 1, 2008 (2.01 NIS/kWh, up to a total of 50 MW within seven years).
- A tender for two 80-125 MW solar power plants was issued in March 2008.
- A tender for a 15 MW PV power plant was issued in April 2008.
- A site for these powerplants has been located in the Negev desert (Ashalim).
- An interministerial commission for green taxation has been established.
- RFQ for solar thermal power plants in the southern desert (Timna) is expected soon

C/- Conditions of access to data on sunshine and wind regimes.

- Solar radiation data can be acquired from the National Solar Energy Centre in Sde-Boker.
- Wind data can be purchased from the Israel Meteorological Service.

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D/- Possible existing mechanisms of subsidy to final consumers on their purchases of electricity resulting from a difference between the sale prices and the reference cost prices, which could possibly make more difficult the development of low carbon generation means.

- At the present, there are no subsidies to final customers on electricity purchases.

E/- Regulatory framework governing the terms of access to the electricity grid for these new means of production and existence of devices for voltage support.

- Private electricity producers from renewable energy sources have full access to the grid, within the rules established by the Public Utility Authority-Electricity (PUA).

F/- The existence (or not) of political, institutional or legal constraints that could hinder the implementation of projects: distinguish, if necessary, those who could be developed by one or several traditional domestic producers and those resulting from private initiatives (access to land, licenses, property rights of investments, repatriation of dividends, etc.)

- The main issue at the present appears to be land acquisition, since about 95% of the land in Israel is Government-owned, and is administered by the Israel Land Authority.