



Burgos Integrated Wind and Solar Farm



SaCaSol - First Solar Project in Philippines

## OWL Energy swoops in on solar opportunities in Southeast Asia

OWL Energy has been busy pushing forward solar projects in the region and promoting the power of the sun.

The future of solar power in Asia is undoubtedly bright. Although solar costs have been dropping, the rate of decrease has slowed down. "From a technical and project management perspective, solar is relatively straightforward to install and operate, and construction times are short, therefore financiers are keen on it," says Tony Segadelli, Chief Engineer and Managing Director of consultancy firm OWL Energy.

He continues: "These positive attributes all mean that the future of solar is bright." Several markets in Southeast Asia in particular show great promise. Segadelli and OWL Energy know this, because they have been on the ground in these countries, working on projects that have been addressing respective energy concerns.

### Forging on despite difficulties

This is not to say that there are no pressing challenges in the Southeast Asia countries where opportunities abound. Cambodia, for example, contains abundant land although there is a risk of UXO, especially on uncultivated land. The electricity tariff paid by large consumers is significantly above the cost of solar generated power, Segadelli notes.

"Therefore, an opportunity exists to sell directly to industrial estates or large offtakers," he says. "However, the rate for selling power directly to EDC is below the current lifecycle cost for solar power generation." OWL Energy has been Technical Advisor on solar projects in Cambodia however none have been implemented to date. This is partly because of the lack of government support for solar projects.

### Importance of support

In the Philippines, too, there are issues caused by the overcapacity of solar and lack of forward planning in the renewable energy sector. Tony

also notes that with the current situation in the country, bilateral agreements with local distribution companies would be the only option for new solar projects. "Future solar plants will need to be sited on locations where curtailment will be less of an issue, in Luzon, for example," he says. Segadelli notes, though, that the current administration does not appear to be a supporter of solar power.

"Some of the solar developers are claiming that Philippines' solar is cheaper than coal, which provides the base capacity for the Philippines," he says. This does not appear to be factually correct, Segadelli notes, but it may flow into government policy. This would mean that a third FIT round (the Philippines has had two rounds of FIT) would be unlikely, he notes. "In this event bilateral agreements with local distribution companies would be the only option for new solar projects," he says.

### Solid Thailand presence

Meanwhile OWL Energy continues to perform strongly in Thailand. The Thai solar sector, for instance, has been growing since the end of the last decade. There are currently numerous embedded players, both local and foreign. Thai solar companies are also very ambitious in terms of growing their portfolios both within Thailand and internationally.

The country has a plan to increase the installed capacity from the current 1,600MW to 6,000MW -- an annual increase of 6.8%. This means there is significant opportunity for more solar power projects to be built, installed, and commissioned. "OWL has worked on many hundreds of MW of solar in Thailand

in a range of roles that cover development, construction and operations," shares Segadelli. "In fact, OWL has probably worked on more Thai and SE Asian solar projects than any of our competitors." These have involved, he says, being the Technical Advisor, Owner's Engineer, Lenders' Engineer and even the EPC(M) Contractor. OWL's role as EPC(M) Contractor have enabled clients to reduce the installed cost of projects by using our engineering and project management skills while absorbing a slightly higher level of risk on their balance sheet, he says.

### Powering Myanmar

In Myanmar, meanwhile, OWL is engaged in a couple of ongoing solar projects that, when completed, will be considered as some of the largest globally. The company is Lenders' Engineer for the 220MW solar project being developed by Green Earth Power, and provided technical support for a 300MW solar project.

"Myanmar is plagued by intermittent power and so backup generators are common especially in Yangon," notes Tony. "Significant opportunities exist for both household and off grid installation of solar power."

However, he notes that the intermittent nature of the Myanmar Grid means that this cannot be used as backup (or nighttime main source) especially during the dry season when demand peaks and supply declines, due to lack of hydropower. Tony mentions the key to increasing solar penetration, especially for off grid applications, through battery technology, though he also noted this is currently an expensive option.

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