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International solar award goes to South Africa for innovative financing concept

After three weeks of intense voting, <u>pv magazine</u> and Hanwha Q CELLS declared Maxx-Solar Energy, a South African company with German roots, as the winner of the Installation Innovation Award for its project delivering innovative financing solutions for solar photovoltaic in Africa.

A total of 20 companies submitted their entries for the Installation Innovation Award, from which the four finalists were handpicked by pv magazine. Their project concepts were presented at the recent Intersolar Europe exhibition in Munich, after which online viewers could vote for their favorite pitch. With more than 800 votes cast, the winner became apparent on Monday, July 8, with Maxx-Solar Energy claiming top spot.

About the project

In 2011, Dieter Ortmann, built a bridge from Germany to South Africa and founded a branch office of the German company maxx-solar & energie in South Africa there. "With the goal of bringing training through the newly-founded Solar Academy and becoming a supplier to the installers we train there and to provide our customers with all services related to photovoltaics," says Ortmann, the founder and Managing Director of the maxx I solar Energy Group, which also enlisted the help of the German Solar Energy Society (DGS) for the trainings.

Now Ortmann is involved in a project he is so proud of that he threw his hat into the ring for the Innovation Installation Award sponsored by Hanwha Q Cells and pv magazine. Ortmann arranged financing for a PV plant for the Dominican Grimley School in Hout Bay, a school for the deaf attended by around 100 children. Ortmann thinks of the undertaking as an exemplary project that can act as a model for further PV installations. Indeed, although many people are convinced of the benefits of solar energy, the upfront invest often proves difficult to stem. The lack of financing options is one of the main obstacles to the implementation of small-scale photovoltaic systems in South Africa. PV renting is an innovative financing option which allows everybody to benefit from cheap, green solar power. Thanks to the maxx I installers RED Engineering PTY Ltd. and SOLARpowerPB PTY Ltd, the two pilot projects, Dominican Grimley School and the Atlantic Gold Guest House in Camps Bay could be identified.

RED Engineering and SOLARPowerPB are two of the 40 maxx I team installer companies based in the Western Cape. Patrick Baldamus, CEO of SOLARPowerPB PTY Ltd., had already installed a heat pump in the Dominican Grimley School for deaf children in Hout Bay. The school had been looking for alternative energy sources for a long time but could not afford to invest in installations. "I always tried to find an opportunity to support the Grimley School in getting a PV system; once I heard about the maxx PV renting approach, I knew that this would be a great solution for them" said Patrick Baldamus. He put maxx solar and the school in contact and installed the system at the beginning of the year.

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The Grimley School is managed by nuns. Most of them more than 70 years old. "I found it fascinating that people of an advanced age have an appreciation for the role of renewables and energy independence," says Ortmann. "Be More Independent" is his motto for the project. At the Grimley School, the motto applies both to energy security and with regard to his helping people help themselves. "Sure, there's plenty of sunshine; it is definitely worthwhile to go there," says Ortmann. "But the financing is often a problem."

Ortmann and his team link up potential operators with investors and develop a good solution for both. The Grimley School is now renting a PV system. The conditions are right. The location gets approximately twice as much solar radiation as Germany, for example, which makes the power half as expensive. Amortization for off-grid systems therefore follows a similar track. Added to that is the aspect of self-sufficiency, he says, as power supply is not as reliable as in Europe.

The rental model works much like similar schemes in Germany. The owners are a tax adviser and a South African owner, both locally based. The first thing to be done is to show how this can work. After the agreed rental period (twelve years in this case), the school will be able to purchase the system at a low price of around €100/kW.

This price point, however, is often a sticking point. The rental fee cannot be too high, and the purchase price at the end of the rental phase has to be reasonable so that the tenant benefits from of the system. This is the case in the Dominican Grimley School project. The monthly rent is approximately €2,700. At a 70% self-consumption rate, this is already below the cost the school would have paid for the electricity. But the system design is likely to generate a self-consumption rate closer to 100%. That means that, even in the rental phase, the school will see significant savings month after month – using 90% of the power it produces should save the school some €800 a year according to the figures provided by Maxx-Solar. It is a 20 kW system producing 33,000 kWh; the school needs 144,000 kWh. "In ten years the system will have paid for itself," says Ortmann. The only thing lacking is an emergency power supply which financing options are currently being explored.

Maxx I solar energy together with the maxx I team installer companies already could identify financing partners for more PV renting projects. PV renting financing left the pilot stage and is thus now accessible to the general public. More information about the project, the PV renting approach and maxx-solar energy on www.maxx-energy.co.za.

Read the original article on http://www.pv-magazine.com.





Photo 01: maxx-team installer SolarpowerPB in front of the system at Grimley School, Hout Bay



Photo02: 2016 installation innovation award for the maxx Grimley School project