



MEDIA RELEASE

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Energy Council interview with James Sibony

Is Solar Energy Viable Without Subsidies?



Q: Subsidies are a contentious subject in the energy market, is solar viable without subsidies?

A: Fortunately, we are in a world where we are very much moving away from subsidies and where we are active is Spain and we think that's the number one market in Europe where solar is absolutely profitable and sustainable in the long term without subsidies. We can generate good returns for our investors from building solar farms reliant simply on selling power to the open market.

Q: Can the business models in Spain be implemented elsewhere?

A: They can. We think Spain is at the forefront of a global trend of renewables moving away from subsidies. Other countries will move a little bit more slowly but we are already seeing some very interesting activity in markets that have similar characteristics as Spain such as Italy, France and also Greece and even as far north as the UK we are seeing solar development being profitable without any form of subsidy.

Q: A common theme in the energy industry is a gap between regulations, innovations and implementations – is that something you are experiencing in this market?

A: There are some very interesting things happening for example in Spain there is quite a lot of speculation going on with grid connections which is a real bottleneck in the area and we think there can be some better regulation to address that speculation; we know that's on the radar screen for the Spanish government and we look forward to some better regulation there. I would also say in the areas of energy storage there needs to be better regulation to incentivise more storage coming online. A lot of renewables coming online does bring issues in terms of intermittency and storage is a great solution to that. Today the cost of storage remains very high, albeit costs are falling so some more certainty on the regulations and on the revenue available for storage would be a great addition to the sector.



Q: How do you see the current economic context, impacted by coronavirus, affecting the solar market?

A: The coronavirus has created an environment of economic uncertainty in the short term. The impact on the price of electricity is particularly severe and results from a reduction in domestic demand for power. Nevertheless, the business of developing solar remains sustainable in the long term and we continue to invest and grow the business. We have seven projects totalling 600MW under development and we expect that to increase significantly.

Source: <https://energycouncil.com/articles/is-solar-energy-viable-without-subsidies/>

About Esparity Solar

Esparity Solar develops bankable, subsidy-free solar projects in Spain and Portugal. Our solar farms produce clean, reliable and affordable power for Spanish energy consumers. Our team brings a track record of developing, constructing and financing 3GW of solar projects globally.
