



## JCEE Newsletter No 7, December 2009

Dear Members of JCEE, RE&EE Professionals and Friends

Extending warmest Season's Greetings: **PEACEFUL SUCCESSFUL HAPPY 2010**

JCEE Secretariat wants again to recollect information about developments from September to December 2009, related to RE and EE in Egypt in general and to JCEE in particular. For more details on the following we recommend to consult occasionally the website [www.jcee-eg.net](http://www.jcee-eg.net) under news and virtual library for articles, studies, presentations and more.

### I. RE and EE Policy Highlights from Egypt fourth quarter 2009

With respect to **wind power**, **Egypt** made another step towards private sector development of wind parks, when Electricity Transmission Company (EETC), on 30 of September 2009 notified 10 bidders that they are prequalified for the 250 MW wind park tender in Gabal El Zeit and are requested to prepare a bid for the Build Own Operate contract. [More](#)

In parallel, the private company Italcementi, majority shareholder of Suez-Cement, continues the development of a wind farm in Gabal El Zeit for electricity supply of cement plants, with the consent of the Egyptian Government.

Still in Gabal El Zeit, work has started on a public sector wind farm developed by the New and Renewable Energy Authority (NREA), financed by European development partners EIB and German KfW in the framework of the Neighborhood Investment Fund (NIF).

Meanwhile, the count of wind power capacity stands in mid 2009 at 430 MW with further 120 MW under construction. [For details.](#)

Egypt Minister of Electricity and Energy has, at various occasions, underlined the country's interest in the development of its vast **solar power** potential in response to several high profile solar power initiatives and in view of available concessionary financing,

In a systematic study within the worldwide EM power project of KfW, numerous potential solar power sites were analyzed by NREA and Lahmeyer International has identified sites. Priority sites were identified for CSP or PV respectively. More information is expected [soon here.](#)

The Government of Egypt proposed some CSP projects to several potential financing donors. Projects at Kom Ombo and Marsa Alam were included in the MENA CSP List of the Climate Technology Fund (CTF), which is managed by the World Bank, for the discussion by CTF Trust Fund Committee Meeting on December 01. The projects expect the acceptance for financing by the CTF Board in 2010.



In addition, several developers are working on projects in special situations, which could supply interested clients with electricity and heat from solar energy.

On October 31, the DESERTEC Industrial Initiative (DII) was founded in Munich, as a limited liability under German Law by 12 Members. It is for the first 3 years a planning company, not a financing or operating company, nor a developer. The DESERTEC Foundation, which has generated the EUMENA integrated energy concept, is one of the Members. The launch had a strong echo in Egypt, although there is no Egyptian member in DII. [More](#)

Holding the co-presidency of the Union for the Mediterranean, Egypt is a key member of the intergovernmental initiative Mediterranean Solar Plan. Ministry of Trade and Industry (MTI) as well as Electricity and Energy (MoEE) are making sure, that Egypt is involved and key meetings are held in Egypt. JCEE organized a Round Table on the various initiatives (see below II.1).

With respect to **energy efficiency**, the program of the Egypt Electricity Holding Company (EEHC) to disseminate up to 6 million **compact fluorescent lamps** (CFL) is in full swing. Carried out by the electricity distribution companies under the leadership of South Cairo Distribution Company, more than 3 million were already sold by November. Customers can buy up to ten lamps, two lamps for the price of one.

CFL will also be used in the replacement of **street lighting** systems. A vast program is planned within EEHC under the leadership of North Cairo Distribution Company. JCEE is cooperating with EEHC in an effort to apply the Clean Development Mechanism (CDM) (see below II.2).

In smaller projects in the Governorates of 6<sup>th</sup> of October and South Sinai, street lighting with Light Emitting Diodes (LED) fed by PV are being set up.

Various initiatives are taking shape to increase energy **efficiency in industry** along with decentralized renewable energy. The Industrial Modernization Program (IMC) is about to start its financial incentive scheme. The German Arab Chamber of Industry and Commerce (GACIC) have signed an agreement with the corresponding Chamber in Nuremberg Germany, which is a leading organization in Europe for Energy Efficiency Management capacity building and certification. Several cooperation partners including UNIDO – with the National Cleaner Production Center (ENCPC) as well as KfW and GTZ's Private Sector Development Program, with financing from Federal Ministry of Economic Cooperation and Development (BMZ) are starting or studying respectively programs to support improved audits and the implementation of audit recommendations.



The annual electricity price increase did not take place in October of 2009. The decision is still pending, whether the increase will be implemented in January 2010 and whether the modification of price adjustment for some industrial sectors from March 2009 will be reversed.

Meanwhile, the LPG supply situation has again become tense in the residential sector. The extremely low LPG prices are obviously leading to misappropriation of the Butane canisters by non authorized users, causing the consumption and the government subsidy to rise further without satisfying the requirement of the target group of poor people. Statistically, LPG consumption is almost half of overall residential energy consumption. The policy of substituting LPG with Natural Gas at equally low prices is working slowly but is equally costly. There are plans to change the unsustainable LPG system and focus it on the objective to maintain an affordable basic energy supply for cooking and exclude other uses. This would also open the possibility to adjust natural gas prices to cost and create a more level playing field for efficiency and decentralized renewable energy applications.

## II. News from JCEE

### 1. Round Table on Solar Energy

JCEE jointly with RCREEE invited to a non public round table to discuss the **various EU – MENA solar initiatives**, upon request from WG II and support from WG I of JCEE. About 40 experts from public and private sectors, several ministries, academia, energy companies, international development partners and guests from neighboring countries tried to identify the specific potential contributions which are offered by the various initiatives such as: the individual based DESERTEC Foundation, which is the home of the concept of a vast EU-MENA RE based power system, the intergovernmental initiative UfM-MSP which gave the concept a strong political push, the private sector DESERTEC Industrial Initiative (DII), which manifest the interest of large Companies, and in addition, the programs from development cooperation, including EU with EIB, Germany with KfW and GTZ, and World Bank and the African Development Bank with Climate Funds, which can already be tapped to start the solar power development. Regional organizations like RCREEE and Arab League indicated their potential role as well. The Round Table helped to clarify what Egypt can, for the time being, expect from the various initiatives.

[For the presentations see](#)

### 2. CDM, a common denominator of many activities

JCEE pursues or supports various activities with an eye on potential funding from the Clean Development Mechanism (CDM). JCEE concentrates on RE & EE projects and supports in particular the application of the so called sector CDM, in UNFCCC technical terms “**Program of Activities**” (PoA)



The Cairo Consulting company Integral presented an intermediate report on **charcoal** and in particular *CDM Feasibility Study for Shifting from Traditional Open-Pit Method to Mechanized Charcoaling Process in Egypt*. This work is followed up in WG III of JCEE. The study comes to the conclusion, that the shifting would have many environmental benefits and would be eligible for CDM, because it reduces methane emissions, which is a potent Green-House-Gas. However, none of the technologies currently under study complies with CO emissions limits specified by Egyptian Law, although they perform also in this respect much better than the existing open pits in the next step. Technologies must be identified or further developed, which comply with all the legal specifications and are eligible for CDM.

Within WG I, efforts were pursued to apply CDM to the **lighting efficiency** programs, replacement with CFL of incandescent lamps in the residential sector and in street lighting. The first program by the distribution companies is already well on its way and cannot be modified to comply with CDM. The main obstacle is the requirement that the replaced lamps have to be taken out of service in order to avoid what is called “leakage”. In the current program, the beneficiary of subsidized CFL lamps does not need to turn in or destroy the replaced lamps. The experts have recommended steps to facilitate the use of CDM for the street-lighting efficiency program and foresee CDM for a new program in the residential sector.

The CDM capacity building activities were continued with a “**training on the job**” mission in December, when specific issues of projects in preparation were, with project documents on hand, discussed with EEAA and project owners staff as well as with NREA staff. The outcome of this training is twofold, a better understanding to resolve complex CDM issues and bringing forward some CDM projects.

Still on CDM, JCEE participated through Eng. Sayed Emam, co-director of the secretariat, in a regional seminar and fair organized by GTZ on CDM during Green Ifriqiya in Tunis from 12 to 14 November. The fair was useful and included RE technologies, water treatment, solar water heaters, PV technologies and environmental awareness. The side seminar included presentation covering most of RE&EE aspects, MSP, Tunisian solar plan and alternative fuels. JCEE is trying to have an updated overview of CDM projects in Egypt and cooperates with German Ministry for the Environment on this issue. The presentation prepared [find here](#)

### 3. Multiple approaches for Green Buildings

In a meeting with the Housing and Building Research Center (HBRC), which represents the **Ministry of Housing, Infrastructure and Utilities** (MoHUI) in the Joint Committee, the JCEE secretariat was thoroughly informed about HBRC activities and intentions with respect to Green Building, energy efficiency in buildings and the new Village Development Program. The HBRC will send representatives into the JCEE working groups according to competences.



The capacity building program on Green and energy efficient building, including post master studies in the framework of JCEE, which was proposed by InWent and adopted within WG II, has been specified and a contract has been concluded between GTZ and Inwent. The first mission to define details is foreseen in the beginning of 2010.

Similarly, the proposal from a group of German and Egyptian private stakeholders from the building sector to develop a Green Building capacity building program within the industry was approved by GTZ headquarters. It is to be financed from a separate Public Private Partnership (PPP) program financed by the German Federal Ministry for Economic Cooperation and Development (BMZ). The German Arab Chamber of Industry and Commerce (GACIC) is one of the partners. The relationship of with JCEE members was tied at a seminar on Building Energy in Egypt in March 2009 in Berlin, and was further deepened in several events with business delegations over the past year.

The work on the Green Building design for the new Ministry for the Environment is continuing in EEAA, with the support of an international architect financed with fund from JCEE. Next, the project will be notified with the LEED organization, from where it shall be certified.

EEA is cooperating with the Governorate of South Sinai in the development of Sharm El Sheikh as a Green City. JCEE is supporting EEAA in connecting to the experts and companies form projects and private sector which offer knowledge and technology for RE and EE solutions like PV powered street lighting with light emitting diodes (LED).

#### 4. Briefs from other lines of activities

The workshop on a specialized energy **consumer protection NGO** (activity within WG II), which was announced for beginning of December 2009, has been postponed to February 2010. Some of the key stakeholders to start the process of developing such organization or network were not available in December due to the Copenhagen Conference.

Within WG I, a wide ranging **awareness campaign on energy efficiency** is under preparation as Private Public Partnership (PPP). The target groups are the households which have various opportunities to use energy more wisely. The Egyptian Electricity Holding Company (EEHC) has signaled support. Invitations for participation and sponsoring will be extended soon to all stakeholders.

Also within WG I, GTZ has awarded a contract to the leading German Laboratory SWT to assist NREA in upgrading its own **Solar Thermal Low & Medium Temperatures Testing Facility**,



Testing & Certification Center in order to become able to certify SWH in Egypt according to international certificates and develop a business plan. The work will extend in time to 2011 and is financed from the JCEE project fund provide by the German Federal Ministry for Economic Cooperation and Development (BMZ).

JCEE facilitated a strong and much noticed Egyptian participation in the 2009 edition of the annual **TERN**A event in November 2009, where GTZ again organized encounters of wind experts in private and public sectors from developing countries and from Germany . A leading representative from SWEG (El Sewedy) was a [key speaker](#) in the development dialogue on Technology Transfer. Consequently, a site engineer from NREA gave a [presentation](#) of the status of Wind energy and technology in Egypt. Staff from NREA, EETC and EGYPTERA participated also in the final three day seminar on grid connection and grid integration of wind power generation.

JCEE secretariat supported the Alexandria Business Association with information, contacts and advise as well as a [presentation on Egypt's Energy Policy](#) to hold the first **International Green Renewable Energy Conference** (IGRE) in Cairo on 01 and 02 December. This was (probably) the first conference entirely organized and financed by the private sector in Egypt on this matter and fit perfectly into JCEE mission. The conference was honored by key note speeches of Dr. Younis, the Minister of Electricity and Energy, and by the Executive Director of the International Renewable Energy Agency (IRENA) Mrs. Helen Pelousse. [More](#)

#### 5. Next JCEE events

JCEE High Level Meeting of Focal points	17-01-2010
Launching Event of Campaign	31-01-2010
NGO Energy consumer Workshop in Cairo	March 2010
WG I, subgroup on Renewable Energy	tbd
WG I, subgroup on Energy Efficiency	tbd
WG II meeting	06-01-2010
WG III meeting	12-01-2010

With kind regards and all our best wishes

From Dr. Paul Suding and Eng. Sayed Emam and all the staff of the JCEE Secretariat