Cutting costs is vital to increase market share in South Africa's energy mix

Concentrated solar power (CSP) is the only renewable technology that can dispatch electricity during day and night at a utility scale size. In order to achieve similar allocations to photovoltaic (PV) or wind, CSP has to lower its costs.

CSP is a less mature technology compared to other renewable energies but it is able to dispatch electricity adapting to the demand curve. Right now, no other renewable energy can improve energy efficiency by meeting demand during peak times and stabilise the grid at a utility scale as CSP can. In a country like South Africa with five hour peak times, has been highlighted by analysts as the perfect technology solution.

However, costs per kW/h are still higher in CSP than PV or Wind. In the last round of the REIPPPP, CSP costs average R 1.65/kWh, compared to Wind R 0.66/kWh and PV R 0.88/kWh. Although the gap is still significant, CSP costs have decreased by R 2.69/kWh since the first round two years ago.

"CSP is a less mature technology compared to Wind or PV, but once all the upcoming large scale projects prove their performance, we'll see how risk perception drops, encouraging development banking institutions and commercial banks to invest in CSP projects and hence more projects will be in the pipeline", explained Brandon Páramo, Research & Project Manager at CSP Today.

Leading South African institutions such as Stellenbosch University, SANEDI, DLR and CSIR will be joined at CSP Today South Africa 2014 (8th – 9th April, Cape Town) by developers Abengoa, ACWA Power or SolarReserve who are all active in multiple markets, to overcome key technological and development challenges to achieve cost reductions in the technology.

For more information about CSP Today South Africa 2014 visit the website: http://goo.gl/GVd0Uk

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