

Mozambique solar power

In a new monthly column for pv magazine, SolarPower Europe describes how Mozambique may take full advantage of its huge solar potential by implementing its recently launched Renewable Energy Auctions Programme for large-scale projects, while also pushing for more off-grid renewables in remote areas.

Mozambique's renewable energy landscape is in its infancy, with 60 MW of installed solar capacity in 2022. However, the Mozambican government have a vision for the country, based on clean electrification for all.

The southern African nation possesses serious solar wealth, with 23 TW of its 23,026 GW estimated renewable potential attributed to solar. Despite economic challenges and high inflation, coupled with the shocks of Covid-19 and the Russian war in Ukraine rippling across the world, Mozambique continues to show an increasing appetite for renewables, both on and off the grid.

Over the past two decades, Mozambique has seen steady economic growth, combined with a suite of actions aimed at strengthening the energy sector. The introduction of the Electricity Law in 1997 opened the way to greater participation of the private sector, including the facilitation of Power Purchase Agreements (PPAs).

The PROLER programme is a game changer for promoting private sector investment in renewables in Mozambique. The set up ensures investor confidence through feasibility studies, and the facilitation of optional financial packages and guarantees. A transparent bidding process promotes competition between investors, delivering the lowest possible electricity tariffs to the end consumer. Future tenders are expected to be announced in Q4 of 2023, including the selection of two independent power producers for two 30 MW solar photovoltaic power plants and one 50 MW wind power plant.

Of Mozambique's 32 million inhabitants, 65% are living in rural areas where less than 6% have access to electricity, compared to 34% of the country's urban population.. By 2030, the Government of Mozambique hope to transform this landscape, and achieve universal energy access by the end of the decade. This would require capacity to more than double to almost 6,500 MW.

Solar is undeniably the most intuitive renewable technology when it comes to off-grid energy solutions. These options are particularly attractive for the Commercial and Industrial (C&I) segment, but also sectors like agriculture, fishing, tourism, and mining. The total estimated addressable market for off-grid solar is currently 173 MW, and is expected to grow in line with the growth of the aforementioned sectors.

Recent energy policy reforms are also changing the game for off-grid renewables in Mozambique. In 2021, the Off-Grid Regulation decree was passed to guide the electrification of the country through off-grid solutions, including mini-grids of up to 10 MW, and energy services (like solar home systems and clean cooking solutions) that will help regulate energy access in off-grid areas for public and private entities.

In theory, the energy landscape has been made more attractive to investors thanks to recent reforms improving energy sector governance. However, with a lack of direct and indirect incentives, private sector investment has been slow to get off the ground, particularly in the off-grid segment. As the new off-grid regulations enter into force this should bring enhanced clarity for investors, helping spur investment in renewables.

A delegation from the Mozambique renewable energy association, AMER, will be present at the Renewable Energy Forum Africa taking place in Nairobi in October. These events are an essential element for informing key players about market potential and spurring investment in the region, and having a presence here shows Mozambique's commitment to going big on renewables.

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SolarPower Europe is working with African Solar Industry Association (AFSIA) to deliver the Renewable Energy Forum Africa (REFA) in Nairobi, Kenya, on 4-6 October 2023, with the support of GET vest, a European programme which aims to mobilise investment in renewable energy supported by the European Union, Germany, Sweden, the Netherlands, and Austria.

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