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Press Release

The Revolution Continues: **Tenders for Ashalim Thermo-Solar Power Stations Published**

A significant step forward in the realization of the government's renewable energy objectives • Both stations will have volumes of up to 220 MW • Tender for construction of 15 MW photovoltaic solar power station now being completed

The interministerial tender committee for the construction of solar power stations at the Ashalim site in the Negev region, headed by Senior Deputy Accountant General **Avi Dor**, has published two tenders for the construction, operation, maintenance, and transfer to the state of two thermo-solar power stations, for the production of up to 220 MW of electricity. The seven contending groups that passed the early screening stage were invited to participate in the bidding stage of each tender. Supplements to the tender documents, such as the franchise agreement, license, and agreement for sale to the Israel Electric Corporation, will be published later this month.

The two power stations to be built at the Ashalim site will have an installed capacity of 80 to 110 MW each. These stations will be the first of their type and the largest solar stations in Israel, and among the largest in the world to use thermo-solar technology. The tenders were published using the BOT method for the construction, operating, financing, operation, and maintenance of the projects.

The tender documents include accumulated lessons learned from past projects, to facilitate the procurement of financing from local and foreign sources, in Israel and overseas. This information is based on the learning process and accumulated experience of the Accountant General Division and the Projects Division, in cooperation with the private sector, regarding joint projects with the private sector.

The interministerial tender committee **encourages groups with different and innovative technologies to contend**, in order to promote the development of the solar energy market in Israel and the positioning of Israel at the forefront of the solar technology field.

Minister of Finance **Roni Bar-On** commented, "The advancement of projects in the area of green energy is important not only from an environmental standpoint. These projects also reduce the Israeli economy's dependence on fossil fuels, promote competition in the energy market, and boost economic growth and job creation. The current project is the outcome of intensive, cooperative work by the Ministries of Finance and National Infrastructure, and constitutes an additional step in the advancement of peripheral regions, including the Negev area."

Minister of National Infrastructures **Binyamin Ben-Eliezer** praised the work of the committee and thanked Finance Ministry and National Infrastructures Ministry staff for their extensive efforts in bringing the tenders to fruition. "The publication of the tenders constitutes an element of the highest importance in the realization of the government's policy of diversifying Israel's energy sources, including a substantial transition to the use of renewable energies. **These projects, together with the establishment of a 15 MW photovoltaic solar power station, should supply about 2% of the economy's power production.**"

Director-General of the Ministry of National Infrastructures **Hezy Kugler** said, "The major advantage of cooperation among all relevant parties at the government ministries involved in the area of electricity in the Israeli economy was apparent in the interministerial tender committee, allowing efficient execution of the tasks necessary to promote the government's policies and objectives for Israel's power economy." Kugler added, "These are additional projects being undertaken jointly with the private sector; this method, also used in other infrastructure areas such as water and transportation, has allowed the government to expand its investments in infrastructures that promote Israel and contribute to growth and job creation."

Shuky Oren, Accountant General at the Ministry of Finance, welcomed the significant progress in the tender procedure, which was the outcome of intensive, cooperative work by all those involved in the project. He noted that the BOT method makes it possible to realize government policy in the area of infrastructures and expand its investments in worthwhile projects, even during a time of tight budgets. Oren added that the high rate of participation of international companies in an enterprise of this type represents an expression of confidence in Israel's economy and economic potential.

The state of Israel is currently working to promote energy independence and minimize damage to the environment, while supplying the demand for electricity. As part of this ambition, the government recently approved the proposition by the Minister of National Infrastructures to declare the Negev and Arava regions as National Priority Areas, and passed a resolution setting a target of 10% of power production to come from renewable energy sources by 2020.

In September 2007, the Israeli government decided on the construction of three solar power stations near Ashalim in the Negev region, with total capacity of 250 MW. The interministerial tender committee is currently completing the tender for the construction of a photovoltaic solar power station with a capacity of 15 MW, with an option for the state to require expansion by an additional 15 MW.

The tender committee includes members representing the Ministry of Finance, the Ministry of National Infrastructures, and the Public Services Authority – Electricity.