

Solar Energy Ideal Option for Many Jamaicans

With the increase in oil prices and ultimately electricity bills, for many Jamaicans, solar energy can prove to be an ideal source of power for homes and businesses.

To this end, the Government has been encouraging Jamaicans to use renewable energy, such as solar energy, as a means of reducing electricity cost. Senior Energy Engineer in the Ministry of Science, Technology, Energy and Mining (STEM), Gerald Lindo, says that there are two ways in which to install a solar system in homes or businesses and still reap the benefits. "You can put the solar panels on your roof, have them connected to some batteries that feed into your local needs at your house or your small business, or you can have a grid-type system to (show) that you are connected to your solar panel and you are connected to the electricity grid as well," Mr. Lindo explains. He explains that when the solar panels are active and the sun is shining, energy or electricity is being produced from the solar panels. "When there is cloud cover or it's night, you switch back in a dynamic way to the grid, so you are drawing either from the panels or from the grid. That way the grid acts as your back up. The grid style system is a lot cheaper for people to implement generally, because batteries are very expensive and they tend to wear out over time. It is usually more economical, even though you are never truly independent of the Jamaica Public Service (JPS)," Mr. Lindo states. The Senior Engineer points out that since the user will be tied to the grid, the consumer will be feeding electricity back into the grid and hence a licence will be needed by the consumer. "We want people to use this. We did develop a standard offer contract in September of 2011 that was headed up by the Office of Utilities Regulations (OUR), which sets out the regulatory terms by which a person can generate solar energy and really any renewable energy source, but solar is the one we think people will desire the most," Mr. Lindo says. "It allows for people who are generating electricity through renewable means to connect to the grid. Not only can they use the grid as a back-up, but in times when they are generating more electricity than they need, they can sell power to JPS and get some remuneration, and that again will help to defray the cost of putting the system on their roof," he adds. Mr. Lindo notes that the Bureau of Standards Jamaica is currently working on standards for the interconnections. In the meantime, he says there are a number of ways in which persons can acquire solar energy equipment without having to bear all the cost at once. "One of them is a loan through the National Housing Trust (NHT). The NHT has offered solar loans since 2006 for solar water heaters and in 2008 for photovoltaic panels. We applaud the NHT for what they are doing (but) we think there are ways they can adjust the loan to further optimise it and make it available for people, because the uptake of the loan has perhaps not been as aggressive as one would hope, but we're working on it to make the loan even more attractive," Mr. Lindo says. He points out that the NHT has the lowest rates and the best terms in the marketplace and "we want more people accessing that, so that they can put some solar panels on their roof." "We have been engaging the NHT since late last year regarding that, and we continue to do so," Mr. Lindo says. The NHT provides financing to contributors for installation and retrofitting of solar heating systems. The loan is available to contributors who can provide a title for a residential property or who has at least enough funds in their Contribution Account at the NHT equal to the cost of the system, plus \$20,000. The loan can be obtained at an interest rate of 3 per cent over a maximum period of 5 years with a 5 per cent service charge. The Development Bank of Jamaica (DBJ) also has loans available which can assist in buying solar energy equipment. The funds that are available through the DBJ are provided by the World Bank. "One of the flagship projects we have at the Ministry is the Energy Security and Efficiency Enhancement Project. It's US\$15 million and is devoted to improving the regulatory conditions for energy in the country and a good deal of that money was set aside for the DBJ to lend to businesses to do their energy projects," Mr. Lindo says. President of the Jamaica Solar Energy Association, Roger Chang, says with these institutions available to provide financing, more Jamaicans can invest in solar energy equipment for their commercial and residential use. "What that means is every consumer of electricity in this country, every JPS customer can now put in a solar panel system for little or no money and the formula still holds true for any size system. When you run the numbers the payback time will always work out to about four years. However, if you finance it for about 5 to 6 years, there is some variation with each installation... your payback will be less than, or about the same as your current JPS bill," Mr. Chang says. In the meantime, Mr. Lindo says that there are many advantages in using solar energy as the main source of power for homes and businesses. "You will be making money from it... it's a generator and you will be able to sell from the grid. Other benefits include reduced consumption, so you have a less of an energy bill at the end of the month. In terms of the broader systems wide implications, because renewable energy, solar energy in particular, doesn't have any fuel cost associated with it, the more renewable energy you get on the Jamaican grid, there will be less overall fuel costs," he adds. So, while the Government continues to set policy that encourages more use of solar energy, Jamaicans are being urged to take advantage of the loan opportunities available for acquiring the equipment. Source: JIS