

Interview:

Macedonia's Sieto Mulls 200 Mln Euro Solar Roof Project

by Valentina Dimitrievska (SeeNews)

Privately-held Sieto (www.sieto.com.mk) was set up in 1992 as an industrial electronics parts producer. It has been involved in solar energy projects for over eight years. So far, it has installed solar panels for different corporate clients at some 40 locations across Macedonia. The company's core business is production of special purpose industrial electronics as thyristor rectifiers, AC/DC regulators, frequency inverters, uninterruptible power supply devices, as well as electronic equipment for railway vehicles. Sieto also manufactures equipment for air quality control and air pollution monitoring.



Zvonko Markovski, Director Sieto

Q: Can you elaborate on your plans for the implementation of a solar rooftop project in Macedonia?

A: The idea is for Macedonia to receive a grid-connected dispersed solar station with photovoltaic (PV) panels on 10,000 rooftops with capacity of three to five kilowatts (kW) for each house. Why 10,000 rooftops, you might ask. One of the demands of this technology is the need for large space. And one place you can find it, for free, even, are rooftops as all municipal service fees have already been paid. Another benefit for the households from this high technology is the attractive feed-in tariff of 0.46 euro per kW set last September by Macedonia's energy regulator for the electricity output sold by privately-held solar operators to state-owned transmission operator MEPSO [compared with 0.04 euro per kW of electricity generated from conventional

sources, which is the selling price of power distributor EVN Macedonia AD]

Q: What is the estimated cost of the solar rooftop project?

A: The implementation of this project without additional government support and a feed-in tariff would be impossible. Our idea is for the households to take out cheap credits of some 15,000-25,000 euro each. So total investment is estimated at some 200 million euro for a period of 10 years.

Q: Can you tell me more about the 70,000 euro solar park with a 10,200 Watt-peak capacity which the company opened in June in the village of Kadino, near Skopje, the first such facility in Macedonia.

A: In 2006, Sieto built an "energy-independent ecological house" near the solar park in Kadino, which also served as measurement centre for various parameters, the first such project in Macedonia and the third in Europe. The idea is to combine solar and wind sources to generate electricity and heating energy for the needs of an individual house.

Q: Are such projects profitable given the high investment costs?

A: Of course they are. The investment is costly, but, with a feed-in tariff, the money can be recouped in six years. Macedonian

companies can apply for credit lines from a \$5.0 million grant provided by the Global Ecological Fund (GEF) earmarked for the financing of sustainable energy projects. This is currently the only external source of funding for such undertakings for local companies. But, we expect the government to offer aid for small and mid-sized companies, providing access to cheap credits with an interest rate of up to 6.0%.

Q: Has the economic turmoil affected your company and the solar energy sector in general?

A: Our company was affected by the global economic crisis, but the best way to counter the fallout is to keep

investing. We had the necessary cash after doing solid business last year and now we hope the investment will pay off.

Q: What about the interest among companies to install solar systems?

A: Sieto is in talks with several investors to install solar systems at different locations in Macedonia by the end of the year. It is a long-term and profitable investment, as the life expectancy of such systems is 40 years.

Q: What is the potential for solar energy production in Macedonia?

A: Macedonia is a sunny country, with over 270 sunny days a year, that is why we should focus more on solar energy production.

**Multi-decade
life expectancy
of solar systems
ensures
long-term
profitability**

**Investment is
best anti-crisis
response**