

## Energy storage market jerusalem

Arad Valley 1 is the second combined solar and storage project to reach commercial operation in Israel, following the connection of Sde Nitzan in August 2023. Enlight now has an operational portfolio of combined solar and storage projects of 40 MW solar and 71 MWh of storage.

Both Arad Valley 1 and Sde Nitzan are part of a cluster of combined solar and storage facilities being built by Enlight in Israel, with a total generation capacity of 248 MW and 474 MWh of storage. The remainder of the projects under construction are expected to reach commercial operation gradually until the end of 1H24. The entire cluster is expected to generate revenues of USD\$35 &ndash; US\$36 million and EBITDA of USD\$25 &ndash;US\$26 million in the first full year of operation (including Arad Valley 1 and Sde Nitzan).

Energy generated by the cluster of combined solar and storage projects is expected to be sold through Enlight's integrated power supply model in Israel. Electricity is expected to be sold under the company's recently signed corporate power purchase agreements and under Enlight's new partnership with Electra Power, targeting residential and small business consumers. The direct sale of electricity to Israeli customers will be possible following the full market liberalisation slated for January 2024.

The Summer 2023 issue of Energy Global hosts an array of technical articles focusing on alternative fuels, battery storage solutions, solar optimisation, and more. This issue also features a regional report on the recent developments in the European renewables market.

Israel's domestic energy demand is expected to increase significantly in coming years as Israel moves to cleaner fuels for power generation and transportation. In 2040, 13 million people are expected to live in Israel (in comparison to approximately 9 million in 2020). Additionally, by 2040, the number of vehicles is expected to increase to 6.4 million and electricity demand will double. In light of these challenges, Israel is promoting several programs to respond to electricity consumption forecasts, while reducing pollution and increasing the use of renewable energy and natural gas.

U.S. company Noble Energy and its local partners discovered the Tamar field in 2009, that provided more than 94% of Israel's natural gas in 2018. A more recent development by Noble Energy and its local partners is the Leviathan gas field, which started production in late 2019 and has contingent resources totaling 605 bcm of natural gas (almost double the size of Tamar, and approximately two thirds of the gas discovered to date offshore Israel).

The significant increase in renewable energy capacity which the Government of Israel is promoting to reach its 2030 goals presents substantial opportunities for U.S. firms, including (a) suppliers of PV, wind and storage technology and equipment; (b) suppliers of transmission equipment, for the construction of additional substations, switching stations, etc., to support new transmission infrastructure from remote generation sites;



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(c) IPP"s and developers to build and operate renewable energy generation plants, and (d) suppliers of systems and equipment for Net Zero-Energy Buildings.

U.S. Embassy Jerusalem is actively pursuing improvements in the export and investment climate for U.S. firms in Israel. These efforts are focused in three specific areas: promoting internationally accepted technical standards in Israel that do not discriminate against U.S. products, protecting intellectual property rights (IPR), and establishing greater transparency in Israel"s public procurement process.

Israel is a small market and mature in many sectors. Consequently, U.S. companies will face significant local and international competition. Additionally, Israel"s strong commercial ties with Europe have led Israel to adopt European Union (EU) technical standards - over international standards - in some industries. This has created obstacles both for U.S. companies that have been doing business in Israel for many years and for new-to-market companies.

While there are substantial opportunities related to large infrastructure projects across many sectors, including energy, many of these projects are based on a public-private partnership financing model. It is often challenging for U.S. small and medium-sized enterprises to allocate the initial capital required for this type of project.

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