20 Consolidated Companies start a Solar Electricity Project to provide Germany with Electricity from the Desert

Twenty large consolidated companies have launched an initiative aiming at providing German households with solar electricity from Africa. The companies aim in mid July to join forces forming a company group -among them the Munich Re-Insurance Company (Münchner Rückversicherungs-Gesellschaft), Siemens, the Deutsche Bank and RWE (Rhein-Westphilia Electricity Joint Stock Company)- to implement the spectacular project; this was reported by the German Newspaper "Süddeutsche Zeitung" (Service Edition), quoting the Münchner-Rück Chairman Torsten Jeworrek. The construction of the solar power plants in the continent's deserts is to cost 400 billion Euro and to start providing electricity within ten years. The project is regarded as one of the largest private green electricity initiatives of all times. In spite of the financial crisis, the consolidated companies will drive forward the fight against the climate change and become top of the green technology worldwide. Since some time now, the scientists have high hopes to win solar electricity in deserts. The multi-billion project Desertec should finally prove that electricity can also be economically produced.

The worldwide largest Re-Insurance Company, the Münchner Rück is on top of the group of companies. "We aim at launching an initiative to put concrete implementation plans on the table within the coming two to three years.", quoting Jeworrek during his interview with the newspaper. Already on the 13th of July the companies are to convene in Munich for the statutory meeting. The consolidated companies still keep the participants list as classified information, yet company group members of the power industry are to be Siemens, the second largest energy provider RWE and the German Deutsche Bank.

German federal ministries and the Club of Rome are also to attend the constituting meeting. This group of leading scientists, politicians and managers have already pursued the idea of African solar electricity since years now, nevertheless no mega project has materialized in Africa up till this time. On the medium term, European and North-African partners are to be won over to come on board the ambitious project. "As regards Italy and Spain we are quite optimistic; besides, North-Africa as well is sending numerous positive signals," as per Jeworrek. A possible participation of France is regarded with a skeptic eye. "The French are still concentrating on nuclear energy."

The signatories of the multi-billion project aim at taping the enormous energy resource potential of the deserts lying south to the Mediterranean. Conceivable are solar power plants in several locations in North-Africa, as stated by Jeworrek. Considered the prime criteria is the fact, that facilities must be established in politically stable countries. The energy transition is no more a farfetched vision, as stated by the consortium. "From a technical point of view, the project can be realized", as per Jeworrek. First facilities have been already built in the Mojave-Desert of California and in Spain too. The power plants bundle sun light via mirrors, heat a special kind of oil and transform their heat into water vapor for driving and operating turbines. Thus they differ from photovoltaic facilities that directly produce electricity.

The energy policy objective of the consortium is set at a high level. Around 15% of the European electricity supply has been covered in connection with the planned investment volume via Desertec, as Jeworrek explains. The consolidated companies, that will also seek external capital, have hopes on well invested money, in spite of lacking practice. The project is to reach a break even on the long run. "There is no doubt of course that there will be a certain investment security at the initial phase, e.g. a purchase guarantee against a certain price." But the electricity should not be constantly subsidized. Desertec is to become competitive "in 10 to 15 years".