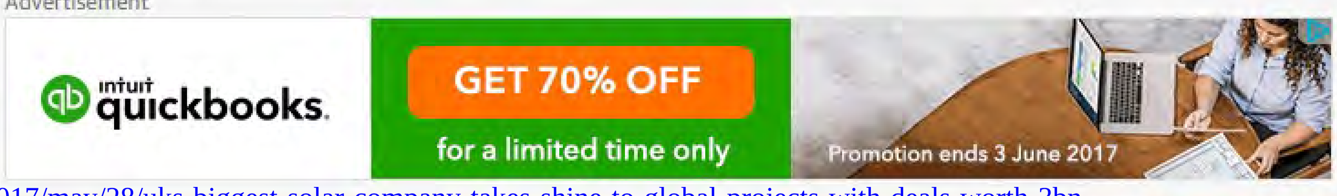
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Energy industry

UK's biggest solar company takes shine to global projects with deals worth £3bn

Solarcentury turns to Europe and Latin America as it transforms into an international firm to maintain growth hit by green cuts in home market

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Solarcentury is building utility-scaled projects in Latin America. Photograph: Peter Macdiarmid/Getty Images

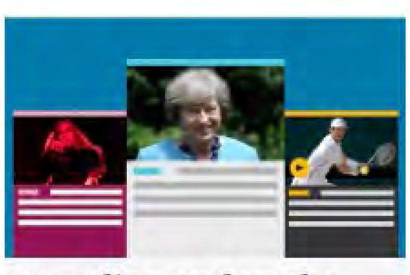
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Britain's biggest solar power company has shrugged off the cloud of drastic UK subsidy cuts by reinventing itself as an international firm with more than £3bn of projects planned.

More than 12,000 solar jobs were lost in the industry after the government slashed support in 2015, but Solarcentury has survived by turning outward to target markets in Latin America and Europe.

The firm, founded by former oil geologist Jeremy Leggett in 1998, generated 85% of its £168m revenues in the UK during 2015-16. This financial year it expects to flip to 85% of revenues coming from international markets.



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"We'd been successful in the UK, benefiting from the support scheme, and then in May 2015 the Tories came to power and completely changed direction: they wanted a nuclear power plant [Hinkley Point C], and frustrated renewables," said Frans van den Heuvel, the company's chief executive.

The expertise the company built in the UK, where it fitted panels on 90,000 homes, has proved crucial in winning contracts abroad, he said.

Solarcentury recently reached a major deal with Panama-based private equity investor ECOSolar, which takes its international pipeline of solar projects to 3,400MW, equivalent of three conventional power stations. The planned utility-scale projects, built at scale in fields rather than on rooftops, are worth about £3bn.

Economic growth and sunny climes in Mexico, Chile, Colombia, Argentina and Panama are the big drivers behind the growth. "Mexico is a huge market that is still growing despite all the threats from the new president in the US. They need more power. It was a monopoly and it's now privatised and more competitive," said van den Heuvel.

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In Columbia, Solarcentury said the new president and the peace deal with rebel group Farc had led to stability returning to a country where oil was still transported by plane to produce power in remote places - an expensive option that increasingly cheap solar could undercut.

Favourable government policies, spurred by the historic Paris climate accord, have helped, too. "Definitely the Paris deal is a big driver. Without the Paris deal, it would still happen because of economics but now it will be even faster," said van den Heuvel.

But the transition, from a company putting solar in British fields and on British homes and businesses, to one competing across the world against a host of rivals has not been easy. "It's very painful," the chief executive said of the reorganisation. "But you have to do that, because the market is changing."

Van den Heuvel is no stranger to transformation, having moved operations for the Dutch solar company he founded in 1999 from the Netherlands to Germany after the Dutch government cut support schemes. Scheuten Solar was later bought by a Chinese firm. "I would say, with a smile, the Dutch government stimulated export - and that's what the UK is doing now," he said.

Solarcentury sees the UK market today as "quite poor" but believes solar is becoming so cheap that it will not need subsidising.

One area of promise is the emerging market for battery and solar installations, which maximise the financial benefits from generating electricity from the sun. The company has a dedicated team working on batteries and is working with an undisclosed retailer on one major storage project.

Van den Heuvel does not have high hopes for a change of mindset on solar by the Conservatives after the election. But he is certain growth in solar, which has stalled at about 11GW of capacity since the subsidy cuts, will return to the UK. "It will come back."

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> "We'd been successful in the UK, benefiting from the support scheme, and then in May 2015 the Tories came to power and completely changed direction: they wanted a nuclear power plant [Hinkley Point C], and frustrated renewables," said Frans van den Heuvel, the company's chief executive.

In other words, the gravy train encountered leaves on the line.

The UK isn't necessarily the best place to invest public money in solar pv.
As Prof. David Mackay said:
" civil servants in Decc had assessed solar and found the numbers did not add up for the UK: "The only reason solar got on the table was democracy. The MPs wanted to have a solar feed-in-tariff. So in spite of the civil servants advising ministers, 'no, we shouldn't subsidise solar', we ended up having this policy. There was very successful lobbying by the solar lobbyists as well. So now there's this widespread belief that solar is a wonderful thing, even though ... Britain is one of the darkest countries in the world."
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