



## **The energy sector is in the early stages of an unprecedented revolution and transformation**

### **Interview in SolarNews with Jose Luis Moya, CEO of Ric Energy Group**

RIC Energy, a pioneer company in the Spanish photovoltaic solar market, is characterized by its ability to anticipate the identification of opportunities in new markets, as well as by its agility in making strategic decisions. This philosophy has allowed them to participate directly in the development, construction, operation and financing of more than € 1 billion of photovoltaic assets on 4 continents.

As a global company, it is committed to the traditional business model, which has been focused on the development, construction, structuring, sale and operation of bankable / bankable PV solar assets. Under this business model, RIC Energy has generated and operated since its incorporation solar PV assets worth more than \$ 1,200 million, which represents a track record of solar PV projects of more than 350 MWp.

Among the activities developed by RIC Energy this year, marked by the health crisis of COVID\_19, the operation by which Q Cells has bought the development rights of 940 MWp of solar energy in Spain from the promoter RIC Energy, which It is one of the largest renewable energy awards in the

country's history.

The Downstream Business division of Q Cells signed an agreement for the purchase of 16 vehicle companies with development rights for 23 solar energy projects in the provinces of Ciudad Real, Seville, Córdoba, Jaén, Teruel, Zaragoza, Cádiz, Valladolid, Palencia and Badajoz. Together, this portfolio adds 940MWp of new photovoltaic capacity, which is expected to be connected to the grid in the first half of 2022.

In addition to this agreement, RIC Energy will provide development services for the 23 projects until they are brought to "Ready to Build" status, as well as possible additional construction and project management services.

In such a changing and dynamic environment, as the current one, RIC Energy, as stated by its CEO José Luis Moya Jiménez, in this interview, continues to rely as growth levers for the company in the early identification of business opportunities ("early stage" ) and in the agility of decision making.

***"At the beginning of this year, Q Cells bought a portfolio of 23 projects in Spain from RIC Energy. Are you planning a similar operation in the Spanish market or in others where you are present? "***

Our strategy is well defined, our corebusiness being the development of greenfield projects in markets where we are present and that we consider mature (Spain and USA) to which we add EPC and O & M / Asset Management in those less mature renewable markets (Africa). We are currently working actively in these three markets to negotiate transactions that we hope to be able to close before the end of this year.

***"Despite the current situation derived from the pandemic, is there interest from investors in the Spanish renewable sector?"***

Absolutely yes, there is still a lot of interest. It is true that in recent months there has been a drop in pool prices, but we understand that it is a transitory situation that will not affect the profitability of the facilities, since they are long-term investments. What's more, the renewables sector may even emerge stronger from this situation because it shows that it is one of the few safe values when investing. Additionally, all the institutions and mainly the European Union point to the "Green New Deal" as a vehicle that channels a large part of the investments at the European level in the coming decades, such that it allows to face the economic crisis derived from the covid-19 but at the same time, it allows us to fulfill the commitments of the Paris summit and continue at the global forefront not only in the fight against climate change but also in new technologies and business models that respect the environment and the planet.

***"The Council of Ministers has approved the draft Law on Climate Change and Energy Transition. Does it meet the expectations of the sector?"***

It is very difficult to gather the expectations of the entire sector, since there are multiple players and therefore interests, but in general terms I would say that it has tended to meet them.

One of the relevant aspects refers to auctions and more specifically to auctions for electricity and capacity.

We will have to wait to see how the final text regulates them, since in principle electricity auctions - establishing a fixed price for the energy generated - seem not to be so peremptory once the market is very active and dynamic and is usually the most efficient mechanism when setting prices and therefore more beneficial for the end consumer and therefore for the electricity system. However, capacity auctions can be really novel and very useful, such that it serves as a spearhead to open / generate said market as a preliminary step to the creation of the rest of the markets for services that are provided in the electricity system but that are not recognized and / or not evaluated / monetized. On the other hand, regulations related to storage (as a tool to make more flexible both electricity generation and consumption), aggregation and hybridization are introduced, which are essential elements to achieve greater efficiency of the electrical system in the different links of the value chain. In any case, the Spanish Regulator is facing a unique opportunity to be at the forefront of setting a regulation that is facilitating to meet the objectives committed to the EU in terms of renewable energy and energy efficiency, which in my opinion can be achieved to the extent that it is inspired by the principles of technical and technological efficiency in the medium and long term and economic profitability such that the interest of the Spanish electricity consumer prevails at all times and all of this providing the essential legal security so necessary in a regulated sector like the electricity sector.

***"As sources from the sector state, do you consider that regardless of the processing of this rule, for the photovoltaic sector to be a motor of economic recovery, it is necessary that a new law on renewable energy auctions be approved as soon as possible?"***

I would not say that it is strictly necessary. Renewable technologies are competitive as evidenced by all the photovoltaic plants that are being developed and built in Spain, the energy is sold to merchant or with PPA as support.

However, a framework of periodic auctions of services other than the mere generation / supply of electricity and with good future visibility can facilitate the development of markets for services that are currently provided, but are not remunerated or have remuneration systems that should rethink. This would undoubtedly lead to a more uniform, integrated and efficient development of the sector. In this sense, it is important that there is a continuity of the auctions and that the object and mechanism of what is going to be auctioned is known well in advance so that we do not work "jerkily" so that predictability allows the different participants to plan its actions and investments in the Spanish electricity market.

***"Is the energy sector moving from a vertical model to a decentralized and cooperative one?"***

To a certain extent, yes, however, large generation plants will continue to exist and a large part of the photovoltaic and wind installation follows this model. But it is true that an increasing number of options are appearing that break with this trend, such as individual or collective self-consumption, small-scale storage and demand aggregators.

All this will add more depth to the system, imply more available options and coexist with large generation plants. In any case, the energy sector is in the initial phases of an unprecedented revolution and transformation, fueled not only by new technologies in the field of renewable energy generation but also by the enormous contribution that the different manifestations of digital technology can contribute to the transformation and improvement of energy generation,

storage, transportation and consumption. Thus, one of the examples of said energy revolution on the demand side is taking place in consumer behavior since it not only adopts the role of passive consumer of electricity, but also simultaneously plays the role of producer of electricity (hence, "prosumer" Anglicism). In short, I do not see it so much as the replacement of one system by another, but as the appearance of greater diversity, which implies a change in the general functioning of the system.

***"In your opinion, what are the prospects for the photovoltaic sector internationally?"***

Many countries are immersed in a decarbonization process that, combined with the drastic reduction in cost of photovoltaic technology, is leading to a significant increase in the share of this energy source in total electricity generation.

In this sense, the International Energy Agency (IEA) in its 2018 report on energy forecasts (World Energy Outlook- WEO) already indicated that the largest additions of generating capacity between 2018 and 2040 would occur in technology photovoltaic solar (2,430 GW worldwide). If these last forecasts are fulfilled, it will imply that by 2040 the generating capacity of solar energy (2,540 GW) will be very similar to that of gas (2,740 GW) that would become the world leader. Achieving these volumes of solar generation will be produced thanks to the fact that All the countries of the world will witness the implementation of numerous photovoltaic plants, although the speed of implementation and penetration in their energy matrix will depend on the degree of competitiveness of solar energy in each market / country, without the need for any type of public aid, with respect to the rest of energy sources.

This degree of competitiveness is mainly conditioned by the solar resource that each country enjoys, as well as its legal security that allows and facilitates the efficient financing of the large volume of investments that the aforementioned growth entails. Therefore, the prospects for the sector are extremely promising since despite the devastating impact of Covid-19 on the world economy, there are economic areas, such as the European Union, that reinforce the role of the "Green New Deal" as a lever main and essential not only to achieve the environmental objectives of the Paris summit, but also to be able to face and get out of the already current economic and social crisis.

***"Towards what technological trends is the renewable sector heading?"***

As I indicated previously, technology has played a fundamental facilitating role in the photovoltaic industry in recent decades and it is clear that it will continue to do so. At this time, I would dare to say that there is no link, no matter how small and narrow, in the long and complex solar photovoltaic and electric value chain that is not being the object of deep analysis by technologists and technicians with the aim of achieving higher efficiencies and lower costs. In any case, it is convenient to differentiate between two large groups of technologies that will be providing great joys to the photovoltaic sector in the coming years: a) Technologies focused on achieving improvements in the way of generating, managing, integrating and distributing photovoltaic solar energy (for example : new materials, nanotechnology, energy storage, mobility, superconductivity, etc ...); b) Digital technologies that, based on the extraordinary advances achieved in recent decades in ICT, converge in the electricity sector, facilitating and accelerating not only the integration of said energy into the system but above all changes in consumer behavior and the role they play the different agents of the electricity market.

***"Will they change the business model?"***

Our framework business model is a consequence of the strategy that we have defined for the next three years for each of the markets in which we operate. At this time we are focused on quickly and efficiently achieving the objectives set in each business line and market and then deepening and / or transferring to other services / products or markets. One of our distinctive features is flexibility, as well as our claim to provide simple and useful solutions for our customers.

At RIC Energy the main thing is the people and professionals who make up our team and we aspire to identify, recruit, develop and retain the best in the sector since with them, we are sure that we will have the most innovative, efficient business model at all times. and competitive in the market.