

## Israel is becoming a world leading country in PV based electricity production Client Update - November 2020

On October 25, 2020 the Israeli Government approved a new policy in the energy sector for the decade covering two main areas: Renewables and Conventional Energy.

With respect to renewable energy, the Government endorsed the policy which was proposed by the Ministry of Energy, aiming at 30% of the total electricity production by 2030 in Israel to be generated using photovoltaic units (and several wind turbines). The Government also introduced an intermediate term objective of 20% renewables by the end of 2025.

In order to achieve these goals, an additional 12,000 MW of PV and 1,600 MW of storage must be implemented at every voltage level. The Government instructed the Electricity Authority to promote new regulations to achieve these goals and instructed the renewable tender committee in the Ministry of Finance to advance the publication of new tenders for the construction and operation of PV power plants. In addition, all relevant ministries were requested to adopt policies and promote regulations supporting the aforementioned Government policy, including enactment of certain tax exemptions and the allocation of dedicated funds to promote technological innovation in this field.

In relation to conventional energy, the Government decided to decrease its previous goals with respect to the construction of additional natural gas based conventional power plants to only 1,400 MW. A tender committee was appointed for this purpose and the relevant ministries were instructed to present a new development plan by late 2023 for the period ending in 2040.

In light of the increase in renewable energy and the decrease of conventional energy pursuant to the above resolutions, the Government has also decided to re-examine its policy with respect to export of natural gas, and instruct the relevant multi-ministerial team to present its recommendations to the Government on this matter by the end of this year.

The decision marks a significant change in Government policy for the energy sector, which for the first time aims to heavily rely on renewables sources of energy, displacing conventional technologies.

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The above review is a summary, provided for informative purposes only and does not constitute legal advice. For more details please contact us directly.



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