

Concentrated Solar Power feasibility study to start by mid-summer

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MUSCAT -- The competitive process linked to the planned development of a large-scale solar power project in the Sultanate could be launched as early as next year, according to a high-ranking government official. Mohammed bin Nasser al Khusaibi, Secretary-General of the Ministry of National Economy, said the initiative symbolising Oman's nascent efforts at embracing renewables in the pursuit of its long-term sustainable development would have significant benefits for the wider region.

"The **Public Authority for Electric and Water (PAEW)** is in the process of recruiting international advisers to conduct a feasibility study for a large solar plant in Oman. If the feasibility of a large solar plant is confirmed, and I am confident it will be, **PAEW's** advisers will prepare tender documentation for the Oman Power and Water Procurement Company (OPWP) to initiate in 2010 a fair and transparent competition to build, own and operate Oman's first large scale solar plant. This would be a significant development not only for Oman but for the region," he said.

Al Khusaibi's comments came at the opening of a three-day seminar on 'Renewable Energy and Energy Efficiency' organised by the Authority for Electricity Regulation, Oman (AER), which is the regulator for the power and related water sector. Renewable energy specialists, developers, policy advisers and financiers are attending the forum.

Welcoming the delegates, Al Khusaibi said the seminar was organised in response to the directives issued by His Majesty the Sultan at the opening of the 2008 annual session of the Council of Oman, "urging the competent authorities to explore the potential use of alternative energy and to study ways in which alternative energy could contribute to the economic development and growth of the Sultanate".

Oman's vision for renewable energy development, Al Khusaibi said, is articulated in a study published last year by the Electricity Authority. The study, he noted, confirms the Sultanate's "significant renewable energy potential" primarily in the area of solar and wind energy. In particular, it singles out Concentrated Solar Power (CSP) as a technology that can be effectively used for commercial scale solar energy development in the Sultanate.

Further, the study also moots the implementation of pilot renewable energy projects in rural areas, Al Khusaibi said, adding that the Authority is currently reviewing proposals for six pilot ventures, including a wind project and solar projects based on thin film and silicon technologies. Importantly, Al Khusaibi also called for the formulation of policies and policy instruments necessary to "support and sustain widespread implementation of renewable energy projects across the Sultanate". Policy instruments and incentives have proved crucial in promoting the successful development of renewable elsewhere around the world, he stressed.

These comprise tax credits and investment subsidies; feed-in tariffs for small and medium sized projects; renewable energy quotas; and most importantly, the establishment of a Designated National Authority to facilitate and administer Clean Development Mechanisms (CDMs). Meanwhile, a senior representative of the **PAEW** highlighted the enormous international interest generated by the Sultanate's plans to develop a large-scale Concentrated Solar Power (CSP).

In a presentation at the seminar, Bob Whitelaw, Adviser to the Chairman of the **PAEW**, said interest in an international tender for advisory services linked to the CSP project was "overwhelming". The selected expert advisors will study the feasibility of a CSP plant from the technical, financial and legal standpoints. Outlining the objectives of this "first of its kind" project in Oman, Whitelaw said the venture would not only help in the establishment of a framework for renewable energy projects, but also contribute to a number of important goals: the development of local capabilities, local manufacturing industry, local operating and maintenance capabilities, and training and development opportunities for Omani nationals.

He said the plant would be sized at not less than 50 MW and not more than 200 MW, the optimum capacity of which would be determined by the feasibility study due to kick off by mid-summer. A number of ministers, under-secretaries, diplomats and other private and public sector dignitaries attended yesterday's opening ceremony. The seminar was also addressed by Dr Saleh al Alawi, Chairman of the Authority for Electricity Regulation Oman; Dr Michael Geyer of Abengoa Solar; Dr Ole Odgaard of the Danish Energy Agency; Kuno Schallenberg of Lahmeyer, and Keith Richardson of ADCB Macquarie Corporate Finance.

(Zawya)

