

Masdar set to announce Seychelles green project

19 January 2009

Masdar is pressing ahead with its multi-billion renewable energy projects despite the twin pressures of the global economic downturn and the slump in oil prices, senior company executives said on Monday.

The company was still looking for new opportunities to develop renewable energy projects, despite the current world financial conditions, said Dr Sultan Ahmed Al Jaber, chief executive officer of Masdar, the renewable energy arm of the Abu Dhabi government.

Masdar said it would announce details of a project it is working on with the Seychelles government on Tuesday.

It also has three projects in Spain and is building a solar manufacturing plant in Germany, creating green jobs and technical expertise to transfer to Abu Dhabi, the company said.

“The current financial situation has no impact whatsoever on Masdar’s intended and planned projects. Our appetite is still the same and we are still pursuing and proceeding with all the projects already announced and we also have an appetite to look for the right opportunities,” Al Jaber said at a press conference at the World Future Energy Summit in Abu Dhabi.

Work was continuing on its \$22 billion Masdar City, the world’s first carbon-neutral and zero-waste city, with around \$300 million already received from the Abu Dhabi government for the project and another “several” billion dollars to be procured this year, said Khaled Awad, director of property development at Masdar.

In next three years, five to eight percent of the financing for the city would come from the government, Awad said, with income from businesses signing leases in the city helping to provide enough cash to finance projects within the city.

Construction of its 500 megawatts hydrogen power project in Abu Dhabi, a joint venture with British Petroleum and Rio Tinto, would start in mid 2010, with the plant producing its first power in 2014.

The company said its plans would not be derailed by the low price of oil, which has dropped below the \$40 a barrel mark from its \$147 peak in July last year.

“Our decision and strategy is not based on short term fluctuations on oil prices, our view is more on the long term and we know that the key drivers of renewables, which are climate change and the scarcity of energy, are still as valid today as a year ago.” Ziad Tassabehji, director of the utilities and asset management unit of Masdar said.

The Abu Dhabi government pledged on Sunday that at least seven percent of the energy consumed in the emirate will come from renewable sources by 2020.

Masdar estimates the government’s renewable energy sector will create a market valued at \$6 to 8 billion in the emirate.

Masdar said it would be responsible for reaching the target but would encourage local and international companies to move towards using renewable energy too.

It said the seven percent would mainly involve solar power technology, with wind power ruled out as there was not enough wind within the emirate for the technology.

The Abu Dhabi government would be announcing in the next few weeks a comprehensive energy policy setting out how the emirate would be able to develop an energy portfolio that included sources other than oil and gas, Masdar said.

{ Arabian Business }