

Oman's solar power bid attracts robust international interest

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MUSCAT -- Oman's maiden foray into large scale renewable energy development has generated mammoth international interest. A record 50-plus firms have so far signalled their desire to participate in a competitive tender for advisory services linked to the planned establishment of a major solar power plant in the Sultanate. Several leading players associated with solar energy development, as well as business conglomerates, consultants and financial institutions, are among the unprecedented line-up of firms that have expressed interest in the tender. The deadline set by the Tender Board for the submission of bid offers is May 25, 2009.

The **Public Authority for Electric and Water (PAEW)** has been tasked by the government to study the feasibility, as well as oversee the implementation of a large-scale Solar Power Project (SPP) in the Sultanate. The project, billed as "strategic and urgent", is among a broad range of initiatives that are being supported by a Ministerial Committee set up last year to oversee renewable energy development in the Sultanate. As a first step, the **PAEW** plans to appoint a qualified consultant to assist in the realisation of the government's goal of setting up a solar power generation facility in Oman.

According to officials, the Solar Power Project is envisaged as a privately financed venture guided by the same principles that govern the establishment of Independent Water and Power Projects (IWPPs). It will be implemented within the framework of existing legislation in Oman, and the Sector Law in particular. A key part of the consultant's brief is to provide an overview of existing solar power projects, as well as details of ownership structures and commercial arrangements with regard to existing operations around the world.

Additionally, the consultant will be required to review the experience of solar power technologies currently in vogue, installed capacities of existing plants, and the reliability of such technologies and projects. Further, the study will evaluate the benefits of combining power generation and water desalination at a solar power facility, as well as the benefits of integrating conventional power generation technologies with solar power generation. Also as part of the feasibility study, the consultant will be required to identify factors influencing the optimal location of a solar power project in Oman.

Solar power generation capacities, technology options and configurations will also be discussed in the study. Further, in co-ordination with **Oman Power and Water Procurement Co (OPWP)**, Oman Electricity Transmission Company (OETC) and the **Ministry of Housing**, among other bodies, the consultant will identify a shortlist of suitable locations for a proposed solar power project. Importantly, the consultant will provide its assessment of the current conditions in the market for a privately financed solar power project, as well as the markets for debt and equity for large-scale renewable projects in particular.

Besides, the selected consultant will undertake a detailed financial and economic evaluation of alternative technologies and capacity ranges of potential solar power projects in Oman. A recent study commissioned by the Authority for Electricity Regulation Oman -- the power sector regulator -- identified significant potential for renewable energy development in the Sultanate. In particular, the study highlighted the substantial potential for solar energy development, citing in this regard the high concentrations of solar energy in Oman, which ranks among the densest in the world.

"There is significant scope for developing solar energy resources throughout Oman and solar energy has the potential to provide sufficient electricity to meet all of Oman's domestic electricity requirements and provide some electricity for export. High solar energy density is available in all regions of Oman: areas of highest density are desert areas. Areas of lowest density are coastal areas in the southern parts of Oman," the study noted.

(Zawya)