

Oman- Barka, Sohar to get major power push

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(MENAFN - Times of Oman) Several agreements for developing two green field independent power projects in Batinah region have been signed by Kahrabel GDF Suez-led consortium with various government agencies, paving the way for fast development.

An important pact was a 15-year power purchase agreement signed between Oman Power and Water Procurement Company (OPWP) and Kahrabel GDF Suez-led consortium, which has the mandate to develop these two gas-fired independent power projects, said a top-level official of OPWP.

The government has awarded Barka 3 and Sohar 2 power projects, close to the existing power plants, to Kahrabel GDF Suez-led consortium almost two months ago.

The official, who does not want to be named, said that the consortium might have signed other pacts like a natural gas sales agreement with the Ministry of Oil and Gas and an engineering, procurement and concession (EPC) contract with a consortium of GS Engineering of South Korea and Siemens AG of Germany for setting up the power plants.

Other deals to use land and seawater also must have been signed with the relevant ministries and companies.

The EPC contractor must be starting initial works at both sites now, he added.

Barka 3 and Sohar 2, each with a planned generation capacity of 744 MW, will be based on combined cycle gas turbine (CCGT) technology. "The plan is to produce an early generation capacity of 375MW in each plant by May 2012," said the official, adding; "Both projects will be fully commissioned by 2013."

The Kahrabel GDF Suez-led consortium has formed two separate companies to develop and operate these two power projects. Barka 3 will be built by Al Sawadi Barka Power Company, while Sohar 2 will be developed by Al Batinah Sohar Power Company.

Location strategy

Barka 3 will be coming up close to two existing independent water and power projects, while Sohar 2 will be constructed adjacent to the now operational Sohar 1 power and water scheme.

"We have decided to set up the plants close to the existing facilities in view of the fact that extra land was available there," said the official. "Further, there are a lot of advantages due to availability of basic infrastructure facilities needed for power projects. Now only a small extension of gas pipeline is needed for the new plant from the existing power plants. From power transmission point, there are several advantages," he noted.

The power project will be funded by way of both equity capital and syndicated loans, and with the involvement of export credit agencies.

The proposed two IPPs are expected to boost the total electricity generation capacity of the main interconnected system (MIS) substantially by another 1,500MW by 2013, from the present 3,424 MW.

According to OPWP, the demand for electricity is expected to grow by 8.5 per cent or 374 MW per annum in the main interconnected system (MIS) for another five to six years to reach 6043 MW by 2016.