

Overseas Market Information



## Saudi Arabia

### Major Infrastructure Projects

#### Energy

**Saudi Electricity Company signs US\$570 million deal :** The Saudi Electricity Company has signed a US\$570 million contract with Jeddah-based Arabian Bemco Contracting Company for 1900 MW Al-Qurayyah open-cycle power plant. The work covers the construction of the sites' infrastructure, the erection of the plant's superstructure, mechanical and electrical works, the installation of the turbines and the rest of the plant engineering. The gas-fired turbines for the plant are being supplied by the US' GE Energy under a US\$973 million order placed by SEC in 2006. A tender is due to be issued by the end of August for the engineering, procurement and construction contract to convert the power plant to combined cycle, bringing its total capacity close to 3,000 MW. Several local and international companies have been pre-qualified for the work. They include Germany's Siemens, GE Energy, South Korea's Doosan Heavy Industries & Construction, NCC and Bemco. An award for the contract is due to be made at the end of the year.

**Prequalification for Ras-Al-Zour IWPP Project :** Water & Electricity Company (WEC) has prequalified 10 groups and conditionally prequalified a further nine for the concession to develop the Ras al-Zour independent water and power (IWPP) project. Request for proposal documents for the estimated US\$3 billion, 20-year build-own-operate contract are due to be released on 15 June, with developer selection scheduled for early 2008. The first unit commissioning is set for the fourth quarter of 2011. The oil-fired Ras al-Zour plant, the kingdom's fourth IWPP and WEC's third, will have desalination capacity of 220 million gallons a day and power capacity of 850-1, 100 MW. This was reduced from 3,000 MW because of changes in the fuel supply. The Prequalifiers are : Citigroup; Corporation (Kepco) and Mitsubishi Corporation, Japan; Al-Rajhi International Investment, with Al-Khorayef Group, Taiwan Power Company, Taiwan Cogeneration Company and Taiwan Water Corporation; Arabian Bemco Contracting with Hong Kong Electric International and Gulf Power International; International Power, UK; Malakoff International, Malaysia; Marubeni Corporation, Japan; Sembcorp Utilities, Singapore; Suez Tractebel, Belgium; Sumitomo Corporation, Japan; Union Fenosa, Spain.

**Saudi Arabia Plans Power Boost :** Saudi Electricity Company (SEC) is planning three new independent power projects (IPPs) in the Kingdom with a total capital investment of US\$5.599 billion aimed at adding 5,200 MW to the domestic grid by 2015. SEC is evaluating proposals from international consultants for financial and legal advisory roles on the three projects. Prequalified consultants for the technical advisory contract for the three IPPs have until 25 June to submit bids. Several companies are prequalified including Germany's Fichtner. The three IPPs, part of several planned by SEC, will be built at Rabigh, 140 kilometres north of Jeddah, Riyadh and Al-Qurayyah in the Eastern Province. Under the IPP programme, project companies will be set up with private developers taking a 60 per cent stake and SEC taking a 10 per cent share. The remaining 30 per cent stake will either be taken by a third party or SEC, or the developer may increase their stake in the company. SEC will allocate land sites for all three projects through land-lease agreements. At Rabigh, 750 MW will be added to the existing power plant under construction, which has planned capacity of 450 MW. The 1,200-MW-oil-fired power plant will start commercial operations by April 2013. At Al-Qurayyah, an additional 100 MW will be added to the planned 1,900 MW oil-fired power plant. The local Arabian Bemco Contracting was awarded the engineering, procurement and construction (EPC) contract. The 2000-MW plant is due to be operational by April 2015. A new gas-fired power plant, called PP11, with capacity of 2000 MW will be built in the capital and starts operations in April 2014.

*(Source : Embassy of India, Riyadh)*