

Jeddah residents endure 10 hour blackouts

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SAUDI ELECTRICITY: In April, Saudi Electricity secured a 15 billion riyal (\$4 billion) soft loan from the government. (Getty Images)

Residents in northern Jeddah have called on the Saudi Electricity Company (SEC) to find a solution to the electricity power cuts in the kingdom after residents in northern Jeddah were left without power for ten hours on Sunday and Monday, it was reported.

At the height of the summer humidity, residents of Al-Rabwa 5 and Al-Rabae districts in northern Jeddah had no electricity for ten hours from Sunday night to Monday morning, according to a report in the Saudi Gazette newspaper on Tuesday.

Residents were forced to abandon their homes as they had no air conditioning and also suffered financial losses when food supplies had to be thrown out.

"Most of the families deserted their houses which became as hot as ovens. All the children started crying because of the stifling weather. The majority of the families moved to furnished flats and others stayed with their relatives," said Rajab Al-Zahrani, a resident from Al-Rabwa 5.

"The power cut has inflicted huge financial losses on us because of the huge amounts of money we paid for Ramadan shopping. This poses a crucial question: who is going to compensate us for these losses? This is happening at a time when the SEC is very strict about people paying their bills. If we delay payment for a month, it does not hesitate to disconnect the power," Al-Zahrani also told the newspaper.

The SEC reportedly received thousands of calls from residents who had been affected.

Saudi Arabia, the world's largest producer and exporter of oil, announced earlier this week that it had approved the award of 14.7 billion riyals worth (\$3.92 billion) of power projects to meet rising demand.

The award includes expansion of the Rabigh power plant and other power transmission and generation projects, SEC said in a statement on the Saudi bourse website.

The plant, Rabigh 6 would have a capacity of 2,400 megawatt (MW) to 2,800 MW, about 12-14 percent of the 20,000 MW the SEC plans to add through 2018, at an estimated total cost of \$80 billion.

SEC would finance the projects through loans and its own resources, it said in the statement without providing further details.

Power demand in the kingdom is rising at an annual eight percent and is expected to triple to 121,000 megawatts from 40,000 MW currently, government officials say.

In April, Saudi Electricity secured a 15 billion riyal (\$4 billion) soft loan from the government.

The bulk of the loan will finance the construction of the plant in Rabigh where the giant King Abdullah Economic City is under construction.