

Shuqaiq increases power capacity

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RIYADH: To meet growing demand, Shuqaiq Water and Electricity Company (SqWEC) has added 680MWh of electricity to serve the provinces of Asir and Jazan, the company's chairman Madani A. Alagi announced on Sunday.

"We were able to begin commercial operation of the project COD2 of the second electricity production unit with a capacity of 340 MWh, 36 days prior to the targeted deadline," Alagi said.

Three months ago the COD1 of the first electricity production unit, also with a capacity of 340 MWh, was completed.

"This brings the plant production of electricity to-date to a total of 680 MWh after the addition of the second unit to the production capacity," Alagi noted, pointing out that the third and final electricity production unit will come into operation by the end of 2010 bringing the plant to full production with a capacity of 850 MWh. "The new capacity will be used to meet the growing demand for electricity in Asir and Jazan."

ACWA Power International is the lead developer of the project, which has overseen the construction work since it began in March 2007. This is the fourth of its seven IWPP/IPP/IWSP projects in the Kingdom. Once the projects are completed a total production capacity of 2.3 million cubic meters of desalinated water per day and 6,200 MWh of electricity would be available.

"The success of the Shuqaiq project in achieving COD2, the full production of the second electricity unit before the agreed date by 36 days, is a live example of the success of public private partnerships and their ability to meet the growing demand of power and water in the Kingdom," ACWA Power's CEO Paddy Padmanathan said, adding that the enhanced capacity will be a huge addition to the power grid in the southern region of Saudi Arabia.

Shuqaiq Water and Electricity Company was established as a closed joint stock company where the Saudi Public Investment Fund (PIF) owns 32 percent and the Saudi Electricity Company (SEC) owns 8 percent with the remaining share belonging to ACWA Power International, Gulf Investment Corporation and Mitsubishi Corp.

The project is structured on a concession or utility outsourcing contract model and is the third IWPP project in the Kingdom. This project was initiated by the Water and Electricity Company in line with the Supreme Economic Council decree for the year 2002 which identified the regulatory framework for private sector participation in such projects.

"We look forward to the project reaching full commercial production by the end of 2010 with 850 MWh of electricity and 212,000 cubic meters per day of desalinated water thus achieving its objectives of providing power and water to the public," Abdulaziz Al-Mahdi executive managing officer of SqWEC said. "This achievement will validate the success of public-private partnerships in vital industries, creating job opportunities, opening new investment channels for local funds and attracting foreign investment."