

Saudi Electricity approves \$3.92bn worth projects

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ELECTRICITY PLANS: In April, Saudi Electricity secured a SR15bn (\$4bn) soft loan from the government. (Getty Images)

State-controlled Saudi Electricity Co (SEC) on Monday said it 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, the company 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.

South Korea's Doosan Heavy Industries & Construction submitted the lowest bid of 12.7 billion riyals to build the plant in Rabigh on the western coast of Saudi Arabia, industry sources said last week.

Power demand in the world's largest oil exporter is rising at an annual 8 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.