

# Utility plans 7 renewable energy plants



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MUSCAT

**Sept 16:** The Rural Areas Electricity Company (RAECO), a subsidiary of The Electricity Holding Company (Nama Group), plans to roll out a further seven small-scale power projects based on solar and wind energy resources — a move that is set to cement its reputation as a pioneer in renewable energy development in the Sultanate.

Tenders for the new initiatives are currently under preparation, according to a top official of the wholly government owned utility.

Hamed bin Salim al Maghderi, Chief Executive Officer, said the move is in line with a vision to gradually reduce the company's dependence on diesel as the primary fuel for electricity generation within its jurisdiction.

"Diesel is not only very expensive, but also environmentally unfriendly as well. Hence there is a target to reduce diesel-based generation by around 25 per cent and replace this capacity with solar and wind capacity within five years. This directive has come from the sector regulator," Al Maghderi said in a panel discussion held as part of the recent Dossier Construction Awards Summit.

As Oman's only vertically integrated utility, RAECO has the licence to generate, transmit, distribute and supply electricity in areas that fall outside of the country's two main grids — the Main Interconnected System (MIS) covering much of the northern half of the Sultanate, and the Salalah System, serving Dhofar Governorate. The company currently owns and operates 42 diesel-powered stations and six water desalination plants.

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Chief Executive Officer, RAECO

Electricity demand growth within its vast jurisdiction, which includes Musandam Governorate, the sprawling Wusta desert, Masirah Island and Thamrait and Al Mazyona in Dhofar Governorate, averages 14 per cent annually, versus around 10 per cent recorded in the rest of the country.

Peak demand growth is as high as 25 per cent in some locations, warranting capital investments in green-field capacity and networks to meet these projections, the CEO said.

Buoyed by the success of its first pilot renewable energy project at Al Mazyona, RAECO recently celebrated the launch of Oman's first commercial scale solar power plant (outside of oil field areas) in the same region.

Next month, the utility will kick off construction work on the country's first large-scale wind power project at Harweel in Dhofar Governorate. The 50 MW capacity venture is being jointly developed by RAECO and Masdar, Abu Dhabi's renewable energy company, with an investment of around \$125 million. Around 16,000 homes will receive their energy needs from this landmark venture when it comes into operation in 2017.

Also recently, RAECO signed up CESI Middle East, a global leader in technical consulting and engineering, to provide consultancy services supervising the development and implementation of a number of renewable energy projects in the country. The projects will be located in Dhofar and Al Wusta governorates with feasibility studies envisaged pinpointing their final location.