
Saudi Electricity names bidders for Riyadh IPP

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Arab News reported that the Saudi Electricity Company has named France's GDF Suez and Saudi Aljomaih Group as its preferred bidders for its Independent Power Project called Riyadh PP11.

According to the SEC's official, the consortium has been selected as a result of the evaluation process of 5 proposals which opened on December 21 for Saudi Arabia's next power plant.

Riyadh PP11 is an independent power project with a capacity of 1,730 MW, situated 125 kilometers west of the capital. The plant will be fired by gas rather than oil, unlike some of Saudi Arabia's other recent power projects.

According to a statement issued by GDF Suez, the total investment cost will be over USD 2 billion. GDF Suez Aljomaih was among the 5 consortia that bid for the build own operate project. The 4 others were: Marubeni Kansai Saudi Masader, Sumitomo TNB Saudi Bin Laden, Mitsubishi TEPCO ACWA and IP Saudi Oger KEPCO. The Marubeni led consortium was apparently not selected because its bid was considered too low compared to others.

The electricity generated at the Riyadh PP11 will be sold via 20 year power purchase agreement to the SEC. The partners bid with General Electric turbines and with Hyundai Heavy Industries as their contractor.

Mr Dirk Beeuwsaert executive VP of GDF said that having been appointed preferred bidder for the Riyadh IPP creates the opportunity for GDF Suez to pledge its continued commitment to the development of infrastructure for the future of Saudi Arabia.

Meanwhile, Saudi Arabia has a current installed capacity of 29,000 MW, which it plans to increase to 60,000 MW by 2020. In October 2009, GDF Suez began commercial operations in the Kingdom with the Marafiq project which had a 2,750 MW power capacity and 800,000 cubic meters per day seawater desalination facility, making it the world's largest power and desalination project. The USD 3.4 billion IWPP will be fully operational in the course of this year.

(Sourced from Arab News)

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