
Masdar to save USD 105 million on solar plant

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Reuters reported that Abu Dhabi's Masdar will save about USD 105 million on the 100 MW Concentrating Solar Power plant it is constructing in the emirate due to falling prices of raw materials.

Mr Olaf Goebel a senior project manager with Masdar said that his company which is expected to start commercial operation of the Shams 1 CSP plant in 2011 will award the main construction contracts sometime in May.

Mr Goebel said that "When we first asked for bids in October we could not believe the cost estimates, we told the contractors we don't want to start negotiating with you on this bid. Costs have come down by about 20 percent."

He said that the construction of the CSP plant is now estimated to cost about USD 520 million to USD 550 million.

New bids were called in February, which Goebel said was one of the reasons for the delay in starting work on the project, originally scheduled to be completed by the end of 2010.

Mr Goebel said that Masdar's Shams 2 CSP plant is expected to launch a bidding round in December or January. Commercial operation for this project is expected to be about "one-and-a-half years behind Shams 1".

Masdar was set up by the Abu Dhabi government to develop sustainable and clean energy. It is 100% owned by the Abu Dhabi government through the Mubadala Development Company. Masdar, also known as the Abu Dhabi Future Energy Company said that last year it plans to spend USD 15 billion in the phase-1 of an initiative including solar, wind and hydrogen power projects in the United Arab Emirates. It is also building a carbon neutral city in Abu Dhabi, which will include the largest solar power plant in the region with solar panels supplied by First Solar Inc.

(Sourced from Reuters)

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