



HARNESSING THE SAUDI ARABIAN RENEWABLE OPPORTUNITY

SASIA Webinar



What is the renewable and solar outlook for Saudi Arabia?

9.5 GW of Renewable Power by 2023

3.45 GW of Renewable Power by 2020

- 1,950 MW of PV
- 300 MW of CSP
- 1,150 MW of Wind
- 50 MW Waste-to-Energy

The first two projects have already been launched:

- 300 MW Solar PV (Sakaka) / (RFP is out)
- 400 MW Wind (Dumah Al Jindal) / (RFP is not yet out)

For the list of pre-qualified companies, please refer to Appendix 1



Sakaka, in the Al Jouf Province (Northern KSA)

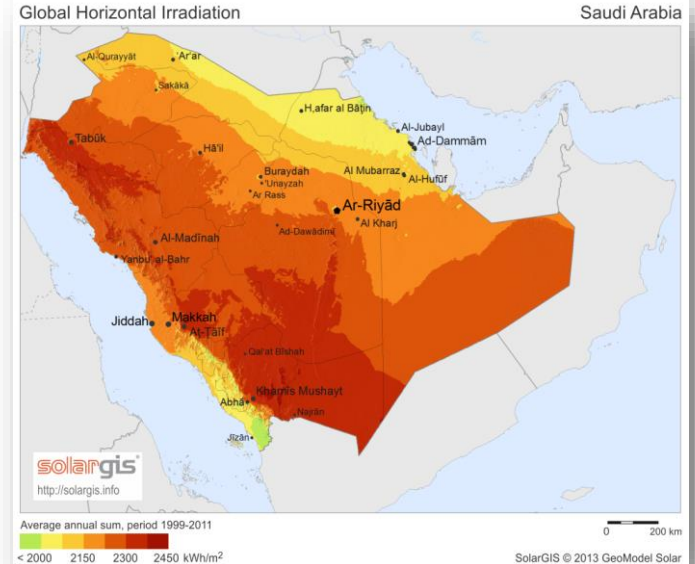
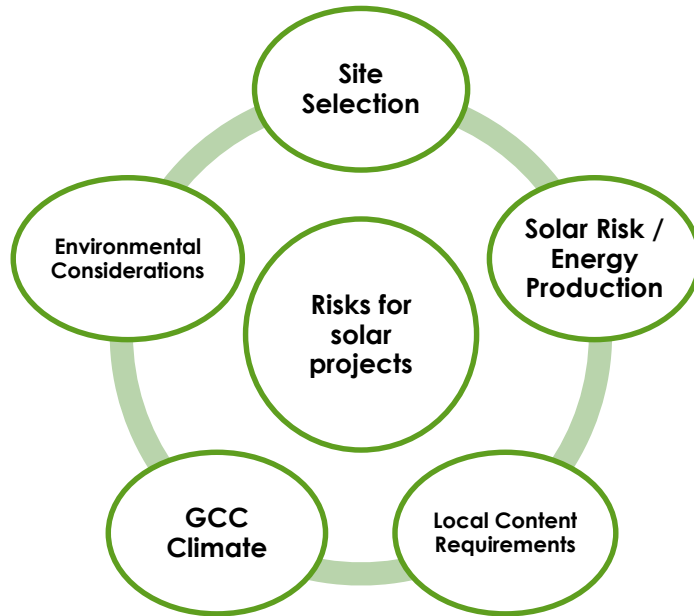
How are the REPDO projects different from conventional projects?

How are the REPDO projects different from conventional projects in Saudi Arabia?

Topic	Conventional Projects	Solar Projects
• Off-taker	• Saudi Electricity Company (SEC), Saudi Aramco	• Saudi Power Procurement Company
• Off-taker participation in SPV	• 50-60%	• 100% available to developer community
• Sovereign guarantee provided by	• No sovereign guarantee	• SEC for as long as the Government controls SEC • Thereafter Government Guarantee unless Saudi Power Procurement Company has a rating of \geq BBB
• PPA tenor	• 20-25 years	• 25 years (PV)/ 20 years (Wind) on a BOO basis
• PPA revenue driver	• Availability based	• Self-dispatch (resource based: P50, P90)
• Local content requirement	• None	• Saudisation requirement of 30% of CAPEX • Saudisation requirement 25% of O&M (< 5 years) • Saudisation requirement 50% of O&M (< 10 years) • Saudisation requirement 75% of O&M (< 15 years)

The template is in-line with structures seen across the MENA region: fair risk allocation which is bankable

What will be the challenges developing solar PV projects in Saudi Arabia?



Saudisation requirements - challenges

- Why?
- 30 % = 20% (mandatory) + 10% (Penalty)
- New scheme :
 - Asymmetry of information ?
 - Not the same as Nitaqat System.
 - High level principles are clear but details still to be clarified.
- Hyper competitive : value of partnerships at all levels of the value chain.

Questions for the audience :

- 1) Should rules on localization be shared market wide? Is there a need for more matchmaking initiatives to match local firms with international firms ?
- 2) Will the LCOE for solar PV on Sakaka be lower than the one observed in the UAE given larger scope (road/substation and localication requirements) or not ?

Appendix 1 – Qualified companies for the 300MW Solar PV Project

Managing member and technical member	Managing member	Technical Member
• Acciona Energia Global S.L.	• Abu Dhabi Future Energy Company, PJSC – Masdar	• Canadian Solar Inc.
• ACWA Power	• Cobra Instalaciones y servicios S.A.	• Enerparc Project GmbH
• Belectric (RWE Group)	• JGC Corporation	• Fotowatio Renewable Ventures (FRV)
• EDF Energies Nouvelles	• Nebras Power	• GCL New Energy
• First Solar International Middle East FZ-LLC	• Korean Electric Power Corporation (KEPCO)	• Hanwha Qcells Co.
• Enel Green Power S.p.A.	• SNC-Lavalin Arabia LLC	• Iberdrola Renovables Energia S.A.U.
• International Power SA, Dubai Branch (ENGIE)	• Sojitz Corporation	• Jinko Solar
• Marubeni Corporation	• Tenaga Nasional Berhad	• Trina Solar Limited
• Mitsui & Co		• TSK Electronica & Electricidad
• Total Energies Nouvelles Activities USA		

Thank you