



Saudi policymakers consider alternatives for renewables development at LEI-led workshop

Riyadh, June 3rd: Key stakeholders from the Saudi Arabian power sector met today in Riyadh to consider alternatives to promote renewable energy at a workshop led by London Economics International LLC (LEI). Organized at the behest of the Saudi Electricity and Cogeneration Regulatory Authority (ECRA), the workshop reviewed worldwide experience with renewable energy promotion as a foundation for deliberations on a National Renewable Energy Plan (NREP) for Saudi Arabia. Attendees included senior representatives from appropriate ministries, universities, Saudi Aramco, and major Saudi industries.

Saudi Arabia is considered to have significant potential for solar power generation, and studies indicate the possibility for wind generation in certain regions as well. Renewable power may be particularly useful in remote parts of the Kingdom which have yet to be connected to the grid. A number of Saudi universities are exploring renewable energy demonstration projects and initiatives to augment data on renewable energy potential. All of the Kingdom's over 32,000 MW of installed capacity is currently gas or oil fired. With load growth recently as high as 6%, Saudi Arabia may need to double its installed capacity by 2025.

The workshop covered such options as a feed-in tariff, central procurement, and quota systems. Panelists from Germany, Spain, and the US discussed experience in Europe and North America with various renewable energy promotion mechanisms, while Saudi experts highlighted potential gains from avoided fossil fuel use and local manufacturing of renewable energy equipment. "The purpose of the workshop was to provide an understanding of global best practice regarding renewables procurement," noted LEI senior consultant Neil Bush. "Ultimately the NREP will be crafted to reflect Saudi conditions, bearing in mind worldwide experience." He added that although discussions regarding the NREP are expected to take several months, the Kingdom shows great potential for renewable energy.

LEI is a global economic and financial consulting firm focused on the energy and infrastructure industries. It has been advising clients in the Middle East for several years regarding market design, tariff structure, and asset valuation. For more information, please visit www.londoneconomics.com.