

The Oil & Gas Year 2014

Join the Charge

A number of power players are driving a robust sector in Oman, with renewables on the menu.



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CEO, Rural Areas Electricity
Company



**AHMED BIN SAIF KHAMIS AL-
MAZROUY**
General Manager, Majan
Electricity Company (MJEK)



OMAR AL-WAHAIBI
CEO, Electricity Holding
Company



ZAHIR ABDULLAH AL ABRI
General Manager, Mazoon
Electricity Company

We are one of the pioneers in the area of renewable energy in Oman. Renewable energy is very costly to construct, but is also very desirable. The company's first initiative from the government was to produce renewable energy via six projects. We will soon commence the first pilot project in al-Mazyunah, in the Dhofar Governorate. This will start with about 3 MW in installed capacity. The first pilot will be about 380 kW of capacity to test the technology of the solar system here in the country. We launched this after the government gave us the green light to go ahead with renewable energy. We launched six projects and then public interest called for investment in more than 30 new projects. This gave us a very strong indication that the tendency toward investment in renewable energy in Oman is very strong.

Our customers number around 162,000, and they come from a variety of sectors: residential, industrial, commercial, agriculture, tourism, fishing, and the government. Each of these segments has a different tariff rate. Residential and governmental are the same; they go through the slab tariff, which means after a certain amount of consumption the tariff will increase. This is designed to promote energy saving. In the industrial sector, we have winter and summer tariffs. In the commercial segment, we have a flat tariff. The agriculture, tourism, and fishing industries have a slab tariff, which is specifically designed to encourage these three segments to flourish in business. Our biggest demand through the distribution network recorded around 904 MW in 2012; however, with the major customers we have already in fact exceeded 1 GW.

Electricity Holding Company was established as a result of the laws that restructured the electricity industry in Oman, which basically created three functions: the operation function, the regulatory function of the industry, and then the Public Authority for Electricity and Water, which is the policy maker in the electricity industry. The sector is divided between the companies that actually do the operations, companies that distribute and supply, companies that transmit electricity, and companies that generate electricity. The model for generation in Oman is that there is a single buyer for electricity and water from the market and from private entities, which in turn sell it to the distribution companies, which then sell it to consumers.

Mazoon is one of the government-owned companies that came into existence as a result of the restructuring of the electricity sector and its related water services. It has a license to distribute and supply electricity in four governorates, namely al-Dakhiliyah, ash-Sharqiyah North, ash-Sharqiyah South, and South Batinah. We have approximately 300,000 customers, and there is high growth in terms of new customers alongside high growth in demand for electricity. Mazoon is keen to adopt new technology and invest in infrastructure to meet the growing demand for electricity in the country, whether it is industrial, commercial, or domestic.