

Riyadh solar energy market

Image: FAS Energy

Renewable energy company FAS Energy, a unit of Saudi industrial group Fawaz Al Hokair Group, and Tokyo-based conglomerate, Marubeni Corporation, have secured a project development agreement for a 52 MW rooftop PV project portfolio to be deployed across several locations in Saudi Arabia.

"The deal was closed recently," FAS Energy Solar CEO, Marcus H. Schrauf, told pv magazine. "I see our work at FAS Energy as directly implementing the call for action at COP28 of tripling renewable energy capacity. We deliver what the parties request. We are supporting the creation of a market here in Saudi Arabia and we encourage industry participants to follow suit."

The off-taker is Cenomi Centers, which is the largest owner and operator of shopping malls in the country.

The project will be built in multiple locations spread across Saudi Arabia and will consist of both rooftop and carport arrays. "Each of the systems will sell power to Cenomi through an individual PPA," Schrauf explained, noting that cities such as Jeddah, Riyadh, Khobar, Medina, and Mecca are included among the selected locations.

FAS Energy and Marubeni will own and operate the solar facilities through a 50%-50% joint venture. "We still haven't finalized the selection of contractors and module and inverter procurement," Schrauf added. "But that is going to happen in early 2024."

Although the two companies didn't disclose the financial terms and purchase price of the PPAs, Schrauf explained that the agreed price is slightly below current energy prices in Saudi Arabia.

"But is guaranteed for 20 years, which enables companies to make corporate and financial planning," he said. "That's exactly the rationale for a lot of clients that we've seen globally. They want to be able to forecast their electricity pricing."

The CEO also stressed that, despite the relatively low prices of the Saudi energy market, there are a lot of very positive mitigating factors. "The first and foremost the high irradiation that you have here in Saudi Arabia," he said. "And if you add to that economies of scale, as we did with this project portfolio, you can achieve a significantly low LCOE, also in C&I projects."

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