

Wind projects to help Egypt reach 2020 energy target

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CAIRO: Minister of Electricity and Energy Hassan Younes said Egypt will produce 2.6 GW of energy through the construction of new wind energy projects, which will be undertaken by both the private and public sectors, local media reported this week.

Funds for the projects that will add 540 MW of power have been raised through the German Development Bank, the European Investment Bank and the Spanish and Japanese governments, Al-Masry Al-Youm reported.

A second round of funding would flow from Abu Dhabi, the French Development Agency, the German Development Bank, the Spanish government, with Japan possibly to follow in toe, which would finance a 200 MW wind farm west of the Nile.

Mohab Hallouda, senior energy specialist for the World Bank in Cairo, told Daily News Egypt that the 2.6 GW will be a "big boost" to 7,200-7,500 MW of power that must be produced to attain the 20 percent renewable energy objective by 2020.

Currently only 500 megawatts of power are derived from wind energy farms in the Zaafarana area in the Gulf of Suez.

The added 2.6 GW capacity is crucial given that according to figures released by the World Bank, Egypt's energy grew an average of 7 percent annually between 1997-2004, and will continue at around the same pace -- 6-7 percent -- until 2014, Bloomberg reported.

It was also announced on Jan. 11 by ministry spokesman Iktham Abou El-Ella that Egypt is inviting bids for the construction of a 1,000 megawatt wind-energy park in the Gulf of Suez in the Gabal El-Zeit area via a tender, which will be open in September, at the international level, Bloomberg reported.

The spokesperson went on to add that the construction of the facility would be tendered on a build-own-operate basis.

Al-Masry Al-Youm also reported that the government will issue a tender for the private sector to construct a 1.37 GW wind farm on a build-operate-transfer basis, without specifying any further details regarding completion or cost.

Hallouda further explained that within the context of the 20 percent of energy that must be generated from renewables, wind power would be the key to reaching Egypt's objective, as hydraulic power potential is "saturated" and solar is far more expensive than wind power.

Hydraulic power, he said, currently contributes 10-12 percent of Egypt's energy needs, but that figure is expected to diminish, leaving the door open to both wind and solar.

Furthermore, whereas the price of wind is 30 to 60 percent more expensive than conventional sources, such as oil and gas, solar power is four to five times the amount, Hallouda pointed out.

Given wind power's potential to supply much needed additional power to Egypt's grid and the score of areas within the country that are suitable for wind power generation, thus meriting that more resources be used to study its further expansion, he stressed.

While this new contribution patently provides a major impetus toward attaining the 7,200-7,500 MW wind energy objective, Hallouda noted that for Egypt to reach its broader 20 percent renewable target, 600 MW per year until 2020 must be brought on line.

Currently, renewable energy sources contribute 14 percent to the energy mix, and should wind sources reach their anticipated target, they would represent 12 percent of the 20 percent total, Bloomberg reported.

