

Sewa looks to the private sector

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View of Buheirah Corniche in Sharjah. Sewa has been told to seek private-sector help in areas such as clean energy and district cooling. The National

Sharjah Electricity and Water Authority (Sewa) has been authorised to seek private-sector capital and expertise in areas such as clean energy and district cooling.

The Sharjah Government decree announced yesterday allows Sewa, which is responsible for supplying the emirate with electricity and water, to extend into emerging “green technology” areas in which the utility has not traditionally operated.

The law empowers the government-owned utility to set up joint ventures with specialised renewable and alternative energy companies. It also allows Sewa to set up clean energy firms and business ventures in sectors such as central cooling.

Sewa can also work with business partners or contractors by “assigning to others all of or part of its works”.

“It looks like they are trying to get private sector participation,” said Robert Bryniak, the chief executive of Golden Sands Management Consulting, a Dubai energy consulting firm.

Sewa would leverage its investment in capital projects by attracting additional funds from partners. It could also enlist private sector assistance in developing urgently needed new power sources, he said.

“If you let the private sector come up with ideas, then maybe they could come up with something that does not involve gas; for instance biomass – generating electricity from garbage,” Mr Bryniak said. “If you get enough of these small projects going, it could make quite a difference.”

Sharjah, like the other emirates, is short of gas for electricity generation, and has been resorting to the costly alternative of burning diesel for part of its power supply. Through Crescent Petroleum, owned by the Sharjah Government, it has also been trying to import gas from Iran, and to develop more gas fields at home.

The announcement's reference to central cooling could indicate that Sharjah is also intent on pursuing improvements in the overall energy efficiency of its power operations. In this case, replacing building-by-building air-conditioning with larger, more efficient cooling systems that serve entire districts, could reduce power demand in the emirate.

Sewa could be seeking to speed such downstream developments through direct involvement. Private sector participation in district cooling projects could be key to the utility's success here, Mr Bryniak said.

The Sharjah government may also have noticed "green" initiatives recently undertaken by Dubai. Last October, Sheikh Mohammad Bin Rashid, Vice-President of the UAE and Ruler of Dubai, ordered building owners in the emirate to adopt international environmental standards for construction.

In April Dubai Group, the financial services arm of the Government-owned conglomerate Dubai World, acquired a 40 per cent stake in the Indian wind turbine manufacturer Chiranjeevi Wind Energy. This was the latest in a string of investments it has made in overseas renewable energy projects.

The companies said they plan to explore opportunities to develop wind farms in the Middle East and North Africa as well as in India.

Just as Dubai was relying on private-sector partners to help it develop green energy projects, Sharjah could be seeking to do the same, Mr Bryniak said.