ACWA Power
Business Update on Shuaibah IWPP & IWP (SWEC Project)
22 June 2022
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Shuaibah 3 IWPP and Shuaibah 3 IWP

• In 2020, the Government of Saudi Arabia announced that it will transition from the reliance on burning/providing oil beyond 2030 and increase the share for natural gas and renewably energy for the generation of electricity in line with the Kingdom’s energy transition vision of 2030.

• In support of this vision, ACWA Power and the offtaker of Shuaibah 3 IWPP— an oil-fired asset with thermal water desalination and power generation capacity of 880,000 m3 per day and 900 MW, respectively—have agreed in June 2022 to amend and restructure the PWPA of Shuaibah 3 IWPP in a way to replace it with a new IWP (Shuaibah 3 IWP) corresponding to a 600,000 m3 per day reverse osmosis seawater desalination plant (“RO plant”).

• The RO plant, at estimated total investment cost of around SAR 3 billion, will be developed under a concession period of 25 years, with commercial operations for the plant scheduled for 2Q2025. The RO plant will use 20% of its energy from renewable sources.

• Shuaibah 3 IWPP shall continue to operate until the Commercial Operation Date (COD) of the RO plant.

• Upon achieving COD of the RO plant, Shuaibah 3 IWPP shall be decommissioned however Shuaibah Water and Electricity Company (SWEC), the Project Company, will continue to receive the capacity payments (adjusted using the average availability based on last 3 years’ performance before decommissioning) until the expiry of the original PWPA term (1Q2030).

• In addition to providing support to the Kingdom towards its Vision 2030, the conversion will reduce Scope 1 carbon emissions by 9.5 million tons per year, ultimately bringing ACWA Power a step closer to its target of reducing carbon intensity by 50% by 2030 compared to 2020 levels and achieving net zero emissions by 2050.