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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 renewable 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.

