

POWER BAHRAIN

Manama to back first green scheme

Bahrain plans to build a 5MW combined solar and wind power plant as part of the government's effort to develop renewable energy sources in the country.

In early December, state-run utility Electricity & Water Authority (EWA) will appoint consultants to carry out a study on the development of the plant, and cost the scheme.

Abdulmajeed Ali Alawadhi, chief executive officer of EWA, tells MEED the utility is already in talks with specialist companies in the wind and solar energy sector.

Alawadhi expects to tender the development in mid-2010. It will be the first renewable energy scheme in Bahrain. "The development of further solar and wind plants in Bahrain will definitely depend on the success of this pilot plant," says Alawadhi.

He adds that EWA will finance the development of the project if necessary.

"Renewable energy projects have to go ahead to decrease environmental damage," he says.

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BANKING & FINANCE REGIONAL

Power plant developer drops plan to sell assets in Jordan

AES Corporation will keep its 30 per cent stake in Amman East power plant

MATTHEW MARTIN

US power plant developer AES Corporation will keep its stake in the Amman East plant in Jordan after a challenge from the other major shareholder, Japanese developer Mitsui & Company.

AES had planned to sell its 30 per cent stake in the plant, along with its stakes in a power project in Oman and two in Pakistan, but has changed its plans after Mitsui, which has a 40 per cent stake in the plant, exercised its rights as a shareholder to influence the structure of any deal.

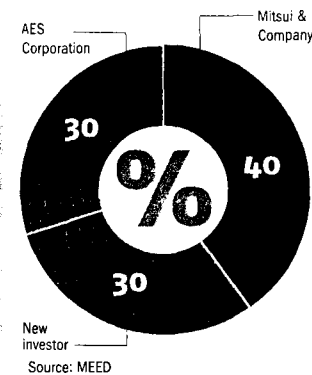
"Mitsui had some agreements that have allowed it to dictate some terms of the sale," one source close to the sale tells MEED. "As a result, AES Corporation will hold on to its stake."

The US company is still planning to sell its stakes in plants in Oman and Pakistan.

AES's stake in the Amman East plant is held through a holding company, AES Oasis, in which it is a 50 per cent shareholder, alongside Saudi Arabia's Islamic Development Bank Infrastructure Fund.

OWNERSHIP OF AMMAN EAST

PROPOSED STRUCTURE



"Mitsui had some agreements that have allowed it to dictate some terms of the sale"

Source close to the sale

AES Oasis owns 60 per cent of the plant, giving the two shareholders each 30 per cent stake.

The Saudi fund still intends to sell its interest in the Amman East power plant, in a deal which will now be separate from the sale of AES Corporation's other regional assets.

AES Oasis has yet to reschedule the deadline for final bids on all four plants after it suspended bidding on 31 August. Bankers expect AES Oasis to set a late September or early October deadline.


"It became clear that the bidders were not advanced enough in their due diligence to submit final bids by the end of August so we are looking to extend the deadline," says the source.

He adds that AES Oasis should complete the sale of the plants by early December, although the Jordanian sale may take longer.


The other plants are Barka in Oman and Lil Par and Pak Gen in Pakistan.

AES Corporation and Mitsui declined to comment.

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