

# **UAE: First Arab Country to generate electricity from coal**

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The United Arab Emirates is set to become the first Arab Gulf country to generate electricity from coal. As governments increasingly turn to cleaner fuels and the price of renewable energy falls, it may also be the last.

Dubai is starting up the \$3.4 billion Hassyan coal plant, with capacity being increased from an initial 600 mega watts to 2,400 by 2023. Japan's Jera Co. will supply coal under a long-term agreement with Acwa Power of Saudi Arabia, which is developing the plant.

## **Key Highlights**

- Coal is typically the dirtiest fuel for power generation. Yet Hassyan's standards for pollution will be based on guidelines for natural-gas plants, according to Acwa. If met, that would mean Hassyan emits less carbon than the European Union and the World Bank's International Finance Corp. typically advise for coal plants.
- Still, other countries in the region have abandoned plans for coal power. Oman launched a tender for a coal project at Duqm in 2018, but it was later shelved. Most of the electricity stations in Dubai, the Middle East's main business and financial hub, run on gas.
- The International Energy Agency, which advises the world's richest economies on energy policy, said Hassyan will provide 20% of Dubai's power when fully operational and "greatly reduce electricity costs for locals."
- State-owned Dubai Electricity & Water Authority signed an agreement with Acwa more

than four years ago to buy electricity from Hassyan for less than 5 cents per kilowatt-hour. Then, the price was much cheaper than the power from solar farms in the emirate.

- That's no longer the case, thanks to technological advances. Dewa recently agreed to buy electricity from the Mohammed Bin Rashid Al Maktoum Solar Park for just 1.69 cents per kWh.

**SOURCE:** *The Hindu, Livemint*