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Saudi Arabia solar energy storage policy price



Overview

Saudi storage projects are priced between USD 73/kWh & USD 75/kWh, compared to global average of USD 165/kWh in 2024, lowering battery storage costs outside China. Could a power purchase agreement make large-scale solar projects viable in Saudi Arabia?

Saudi scientists have determined the current price threshold for power purchase agreements (PPA) that could make large-scale PV and wind power projects viable in Saudi Arabia. They incorporated data from the 300 MW Sakaka solar farm and four potential utility-scale PV project sites.

How much solar power does Saudi Arabia have?

The country currently has around 190 MW of installed solar capacity, according to Apricum. In May, Saudi Arabian developer ACWA Power won a bid to develop 110 MW of floating solar in water reservoirs, 50 MW on the island of Sumatra, and 60 MW on Java.

Do tariffs make solar projects economically unviable?

They incorporated data from the 300 MW Sakaka solar farm and four potential utility-scale PV project sites. Researchers at King Abdulaziz University have conducted a techno-economic analysis for utility-scale wind and solar plants in Saudi Arabia and have found that current tariffs make projects economically unviable.

How much does a solar PV plant cost?

“The Sakaka solar PV plant operates under a 25-year PPA with an electricity price of \$23.40/MWh, while the Dumat Al Jandal wind farm has a 20-year PPA with an electricity price of \$21.30/MWh,” the researchers said, acknowledging that technical and financial details for the plants are not fully available.

How much NPV should a solar project cost?

They said that to achieve zero NPV values, the other identified sites for solar

deployment should host projects requiring PPA prices ranging from \$26.10/MWh to \$29.30/MWh.

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