

 Early Warning System

IFC-38207

ACWA Power Zarqa Thermal Power Station



## Quick Facts

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|--------------------------------|---|
| <b>Countries</b>               | Jordan  |
| <b>Financial Institutions</b>  | International Finance Corporation (IFC)               |
| <b>Status</b>                  | Approved  |
| <b>Bank Risk Rating</b>        | A   |
| <b>Voting Date</b>             | 2016-10-27  |
| <b>Borrower</b>                | Mahatat Al Zarqa Le Tawleed Al Takah Al Kahrabaieyaha |
| <b>Sectors</b>                 | Energy  |
| <b>Investment Type(s)</b>      | Loan  |
| <b>Investment Amount (USD)</b> | \$ 75.00 million                                      |
| <b>Project Cost (USD)</b>      | \$ 475.00 million                                     |



## Project Description

### PROJECT DESCRIPTION

The project consists of the design, construction, ownership and operation of a 485MW (net generating capacity after deducting auxiliary electricity consumption) combined cycle gas fired power plant located 31 km north east of Amman in the city of Zarqa Industrial Zone, the Hashemite Kingdom of Jordan (the "project"). The project will substitute Hussein Thermal Power Station, one of the oldest and most inefficient Heavy fuel oil (HFO)-fired power plants in Jordan which was decommissioned in December 2015, with a more efficient power plant. The proposed project is expected to cost approximately US\$475 million and the proposed IFC investment consists of an A-loan of up to US\$75 million.

The project is being developed by ACWA Power ("the sponsor"), through its subsidiary in Jordan Mahatat Al Zarqa Le Tawleed Al Takah Al Kahrabaieyaha ("the company"). EBRD is considering co-financing this project. The project will be constructed on about 14.9 ha of a mostly undeveloped area of the decommissioned power plant site, which is located within the City of Zarqa Industrial Zone. Despite being in an industrial zone, within a radius of 1.75 km from the project site there are approximately 350 residential structures in Al-Hashemiyeh-south including residential dwellings. The nearest residential receptor is located around 250 m north of the site and there is a National Electric Power Company (NEPCO) training center located 200 m away from the project site.

The land for the project was leased to the project company from the sponsor's subsidiary Central Electricity Generating Company ("CEGCO", an existing IFC client). Natural gas, the main fuel for the project, will be supplied by NEPCO, the government owned power transmission company and single buyer, via a new subsurface gas pipeline connection to Jordan's main gas pipeline, which is located approximately 600 m from the project boundary. The project back-up fuel (low-sulphur light distillate fuel oil, or LDO) will be delivered by NEPCO to the site via an existing 1700 m long fuel oil pipeline from the adjacent petrochemical refinery. Process water for the power plant operation will be extracted from 3 new shallow boreholes (95 m - 220 m) located within the project site. The Water Authority of Jordan (WAJ) will supply the power plant with potable water (up to 2450 m<sup>3</sup>/week) via a new 800 m long water pipeline to be constructed by WAJ. The electricity generating efficiency of the power plant in combined cycle will be 49.6 % (net, LHV basis) or 51.2% (gross, LHV basis). The project company signed the Engineering, Procurement and Construction (EPC) agreement with Shandong Electric Power Construction Corporation III (SEPCO III), a subsidiary of Power Construction Corporation of China in January 2016. The project pre-construction works already started in May 2016; however, construction activities will start in September 2016. The foreseen project construction period will be about 24 months. The project company signed an operation and maintenance (O&M) contract with ACWA Power's subsidiary CEGCO for the power plant operation in May 2016. A generation License will be issued to the project company by the NEPCO under long-term power purchase agreement (PPA) that will allow the project company to operate the plant for 25 years.



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## Investment Description

- International Finance Corporation (IFC)



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## Contact Information

### Accountability Mechanism of the IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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## Bank Documents

- [Environmental and Social Impact Assessment Volume 1](#)
- [Environmental and Social Impact Assessment Volume 2](#)
- [Environmental and Social Impact Assessment Volume 3](#)
- [Environmental and Social Impact Assessment Volume 4](#)
- [Social and Environmental Plan.pdf](#)



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### Other Related Projects

- EBRD-47412 Hussein Thermal Power Station Repowering/Zarqa
- MIGA-14770 ACWA Zarqa Thermal Power Station