



SolarPower  
Europe

# Solar investment opportunities in Oman

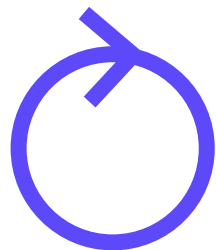
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Global Markets Manager

SolarPower Europe

Intersolar Middle East, Dubai, 16 April 2024

# SolarPower Europe at a glance



We represent the whole solar value chain


















































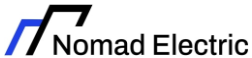






















300+ organisations



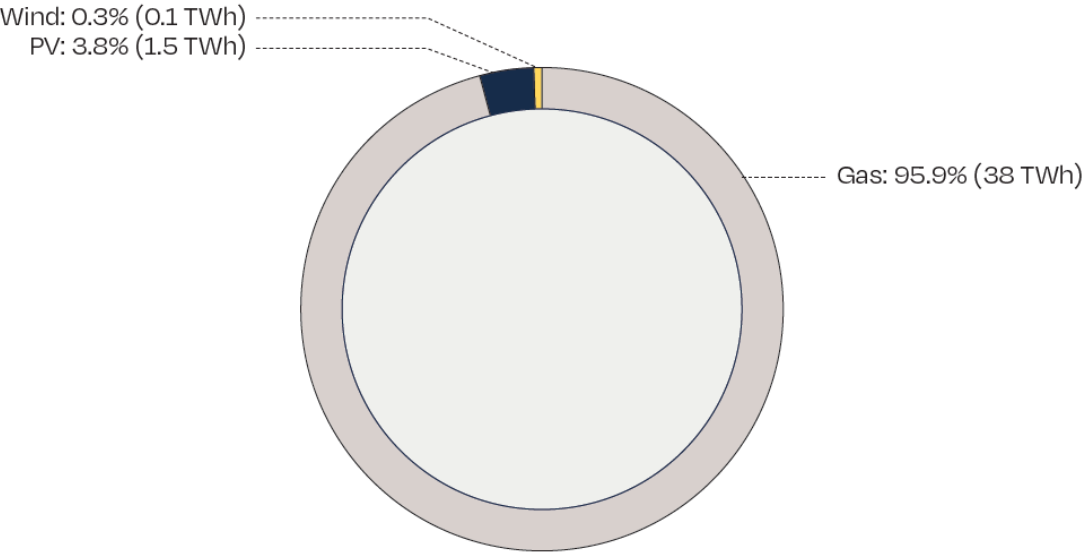
We work closely with 40+ national associations

## Global Markets workstream

- 65+ member companies
- Identify business opportunities in new, high profile and thriving markets
- Reducing barriers to solar deployment be they regulatory, administrative, or related to bankability of projects

Raw materials						
Modules, wafers & cells						
Building integrated PV						
Inverters						
BOS						
Developers & EPCs						
Storage						
IPP						
Utilities						
O&M, Asset Management						
Digitalisation						
Research organisations						
National associations						
Advisory						

# Oman's electricity mix by source



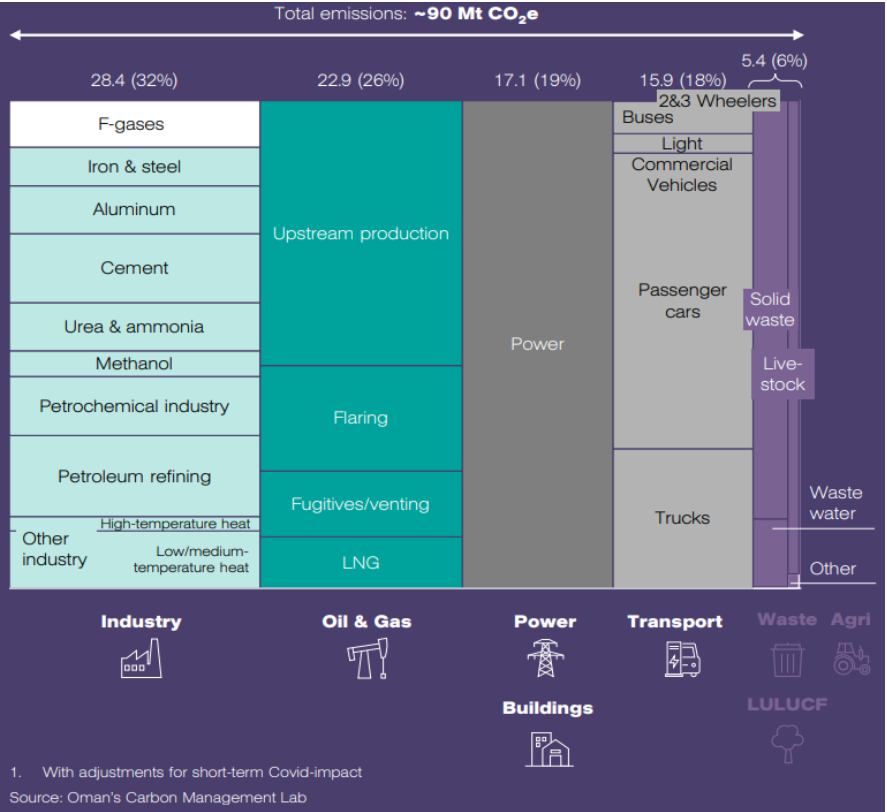
SOURCE: OPWP, 7-Year Statement 2023-2029.

## RES targets (% of electricity mix)

- 20% in 2030
- 35-39% in 2040



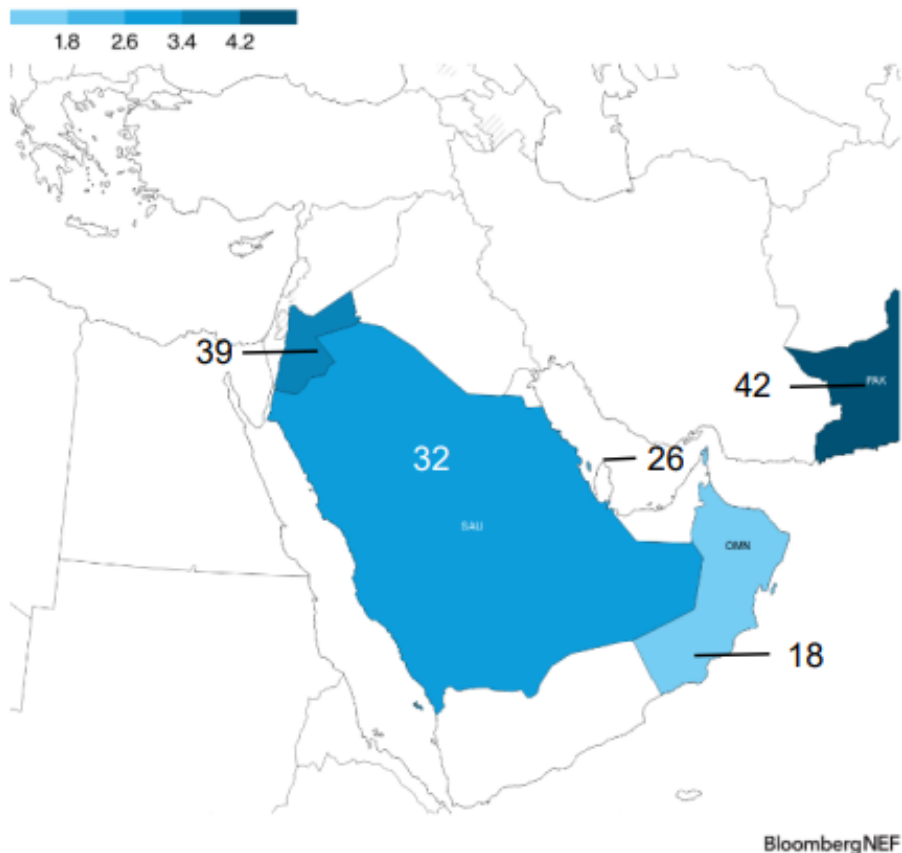
# Oman's net carbon emissions



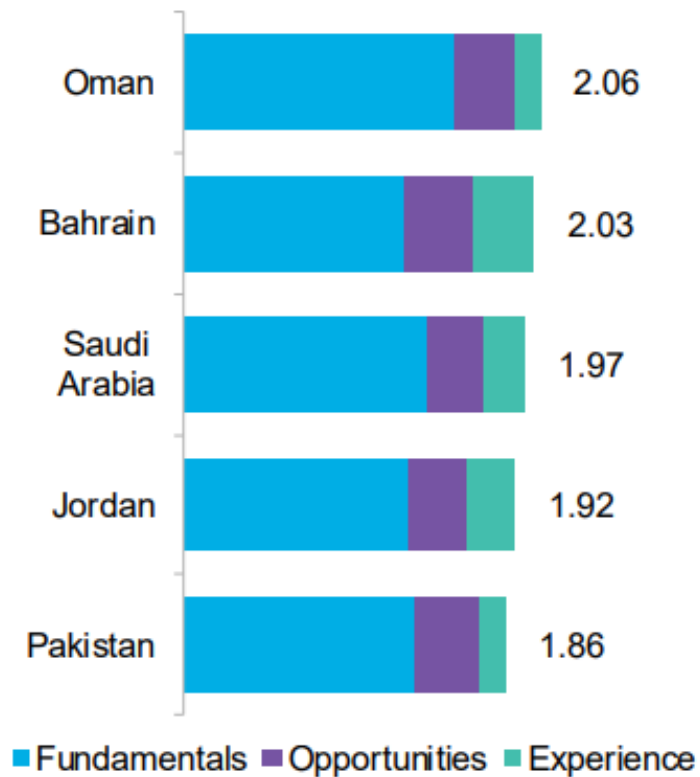
## Emission reduction targets (% from 2021 levels)

- 6% by 2030
- 54% by 2040
- 92% by 2050

# Business environment for solar



Climatescope score



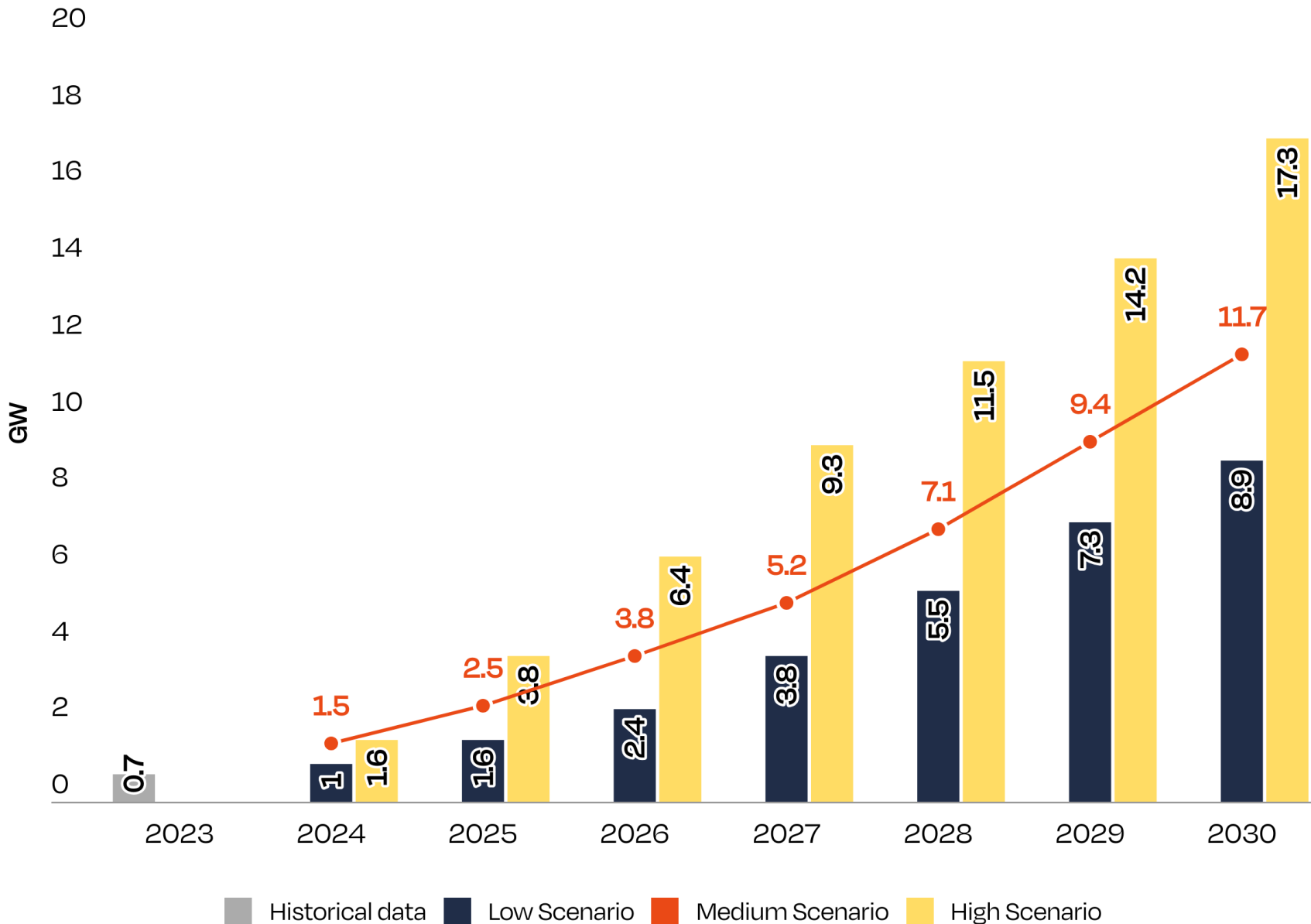
18<sup>th</sup> out of 140 emerging markets for attractiveness for RE investments

- Tax exemption for five years
- No income tax for individuals
- Freedom to transfer capital and profits, and freedom to exchange foreign currency at a fixed rate
- Full ownership rights
- One-stop-shop for investments and transactions
- Companies can open branches in Oman if they win government contracts
- Investors can form more than one legal entity to manage their business
- Cost-reflective tariffs

# Market structures

Scheme	Details
Public procurement	<ul style="list-style-type: none"><li>• Long-term PPA with Oman Power and Water Procurement Company (OPWP)</li><li>• Tenders triggered at 75MW threshold</li><li>• Prices of tenders are not disclosed</li><li>• 8% local content in PPAs</li></ul>
Spot market	<ul style="list-style-type: none"><li>• Operated by OPWP</li><li>• Companies can sell surplus energy</li></ul>
Direct sales framework	<ul style="list-style-type: none"><li>• Large consumers can purchase electricity directly from IPPs</li><li>• Only applies to plants with expired PPAs</li><li>• Expansion of scheme planned</li></ul>
Sahim	<ul style="list-style-type: none"><li>• One-stop-shop for solar rooftops</li><li>• Power can be sold back to the grid</li></ul>

# Outlook for solar



Low (7-8 GW by 2030):

- Renewable hydrogen plans – ~5GW
- Announced projects completed – 3GW
- Oman does not achieve its decarbonisation target of 20%

Medium (~12 GW by 2030):

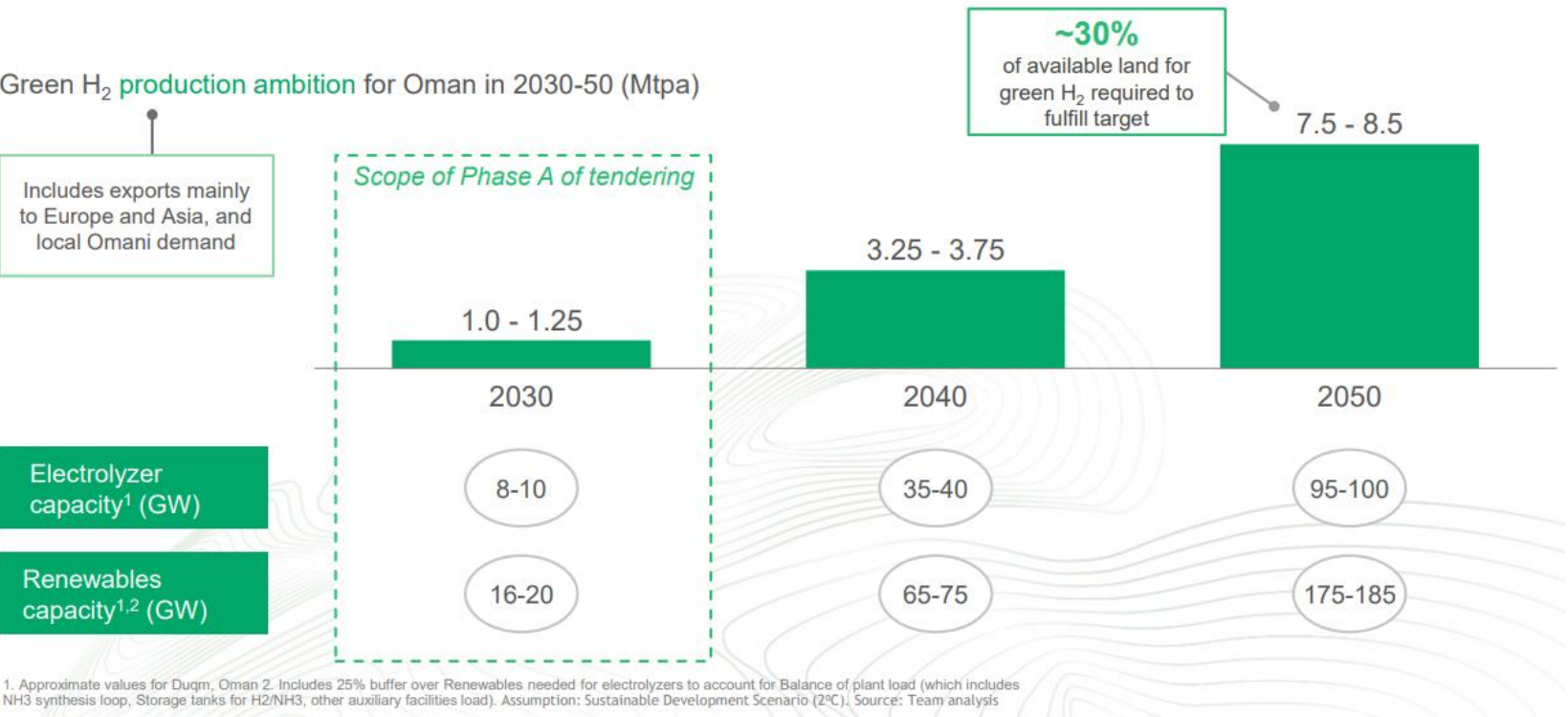
- Renewable hydrogen plans – ~5GW
- Minimum capacity needed to reach 20% RES penetration in the power mix - ~8GW
- Leads to compliance with their own decarbonisation targets

High (~17 GW by 2030):

- Renewable hydrogen plans – ~5GW
- Elevated ambition, accelerated decarbonisation of power mix, and pipeline of prospective 2030 projects is deployed – ~12 GW



# Renewable hydrogen



**Duration:** 47 years from project development and land sub-usufruct award



**Oman's take:** Land lease (US\$ 0.05/m<sup>2</sup>, base (5% floor) and surplus royalties, corporate tax applies, 20% equity for government-owned entity



**Incentives:** Reduced land fees, further reduced up to 100% during development



**Scope:** Integrated project to produce renewable hydrogen derivatives



**Conditions:** No committed off-take of electricity/connection to the grid, and unused land given back to the government

# Recommendations for policymakers

## Boosting Oman's investment attractiveness

➔ Bet on renewables as a way to secure economic growth in a net-zero future

➔ Further liberalise the electricity market structure to attract more foreign investors

➔ Give a more precise indication of the pathway to net-zero by 2050

➔ Seek opportunities for deeper integration of regional electricity markets

➔ Strengthen the consultation mechanism in policymaking processes

➔ Government of Oman and the European Commission should cooperate to ensure Omani renewable hydrogen complies with the EU's definition of RFNBOs





# Thanks for listening

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