

Electricity Law Allows Private Investment in Power Generation and Transport

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The Syrian President has issued a new law allowing private investment in the generation and distribution of electricity.

The Syrian Government, which needs to meet growing demand for electricity, is trying to attract private investment into the sector.

A recently issued tender for the country's first IPP plant attracted 18 bids. The plant, to be located in Nasserieh, north of Damascus, is expected to generate some 180 to 250 MW.

Law 32/2010, enacted on November 14, allows investments in both traditional and renewable energy generation and distribution. Public-private partnerships are also allowed to be established.

The Law allows Independent Power Producers to sell the electricity produced to local consumers or to export it. They are also allowed to lay down their own transport network and to link directly with the national grid. The law also provides for the management of existing state-owned power plants by private sector companies.

Law 32 also provides for the future establishment of a new entity in charge of the transport network, Public Establishment for Electricity Transport. The PEET is to be established through a different law within three years.

"The law contributes to organizing and restructuring electricity sector into three institutions, one for generation, the other for transport and the third for distribution," Qussai Kayyali, Minister of Electricity, was quoted as saying by the official news agency. Mr Kayyali ruled out any privatization.