

# Oil giant Saudi Arabia looks to alternative energy

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A migrant worker protects his face from the dust and sun at the site of a Saudi oil processing facility close to the oil-rich state's capital Riyadh. With vast oil reserves that are far from exhausted, Saudi Arabia, facing rising domestic energy demand that could cut into its oil exports, has decided to explore nuclear and renewable energy, a key government official has said.

With vast oil reserves that are far from exhausted, Saudi Arabia, facing rising domestic energy demand that could cut into its oil exports, has decided to explore nuclear and renewable energy, Oil Minister Ali al-Naimi has said.

"We have started to take the required steps to utilise several energy sources locally, in particular solar and nuclear energy," he told a conference in Riyadh.

The kingdom has massive proven reserves. In November, Naimi put the figure at 264 billion barrels, and said [Saudi Arabia](#) was capable of supplying crude for the next 80 years at current production levels "even if we never found another barrel."

However, Saudi Arabia anticipates a rise in domestic [energy demand](#), which within 20 years could see an increase in domestic [oil](#) consumption to around eight million barrels per day, approaching its current output, a former commerce minister and head of a Saudi energy research centre said.

"The demand for electricity is steadily increasing -- it was 40 gigawatts in 2010, and is expected to reach 120 [gigawatts](#) in 2032," Hashem Yamani, the director of the King Abdullah City for Atomic and [Renewable Energy](#), told journalists.

At the same time, he said, "local demand for oil, which is currently about 3.2 million barrels per day, could rise to eight million barrels per day in 2028."

"This will ultimately limit the export capacity of the kingdom, and of development," he said. "That is why we are determined to transform a country dependent solely on oil to different sources of energy -- nuclear and renewables."

"Thus we can conserve oil" and keep it for export, said Yamani, adding that the kingdom could produce renewable energy -- solar and wind -- within eight to 10 years and nuclear energy by 2020.

"We are consulting with everybody who has technology in these areas -- Koreans, British, Americans, Japanese and French," including the French group Areva, he said, which is a major player in the global nuclear industry.

Areva chief executive Anne Lauvergeon, who was in Riyadh to explore the local market, has stressed that Saudi Arabia is "an important market."

During her visit, Lauvergeon signed an agreement with the Saudi Bin Laden Group on cooperation in the fields of solar and nuclear energy.

"We are very sensitive to energy developments in Saudi Arabia, where there is a willingness to move toward nuclear power," she said in Riyadh.

"The division between fossil fuels and renewables is dead, as is the idea that there will be one energy (source) that is more important than others. The world needs all the energy solutions," she said at a conference in the kingdom.

She told journalists that Areva is developing, with the aid of Saudi petrochemicals giant Aramco, a pilot project on solar thermal [energy](#) for evaluating the technology at the King Abdullah University of Science and Technology.

She said that Areva had also proposed "boosting existing power plants that run on fuel oil or coal with a mixed system," which the company had already tested in Australia.

Saudi Arabia signed a cooperation agreement on civil nuclear technology with the United States in 2008, and has held talks with France and Russia on similar agreements.

The kingdom's government approved plans for a peaceful nuclear cooperation pact with Russia in October, and in July gave the nod to a similar deal with France.

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