

The POWER to hope

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The Israelis and the Palestinians do not agree on much, but the Gaza Independent Power Project (IPP) now under construction in the Gaza Strip is a notable exception. With the blessing of both the Israeli government and the Palestinian Authority, the 140MW combined cycle steam and gas project is, crises notwithstanding, due for completion in February next year.



On the face of it, it is remarkable that the project is going ahead at all. Not only is the site located just 2km from Netzarim, a Jewish settlement and the scene of much violence since the intifada broke out in September 2000, but the project's main strategic partner – the now infamous Enron – went spectacularly bankrupt earlier this year. In addition to the financial and organisational implications accompanying this turn of events, the involvement of an American company is also seen as crucial to ensuring Israel's support of the project, and consequently, its safety.

But this ‘small’ hiccup is no deterrent to project developers, the Palestinian Electric Company (PEC), and the search is now on for Enron's replacement: “It will have to be an American firm, to guarantee Israeli co-operation,” says a PEC spokesman who prefers not to be named. “We are currently in talks with a number of companies, but nothing has been decided yet.”

But there is another reason that Israel is happy for the project to proceed. The Israel Electric Corporation currently generates, transmits and distributes electricity to the Palestinian Authority as well as Israel. The present 100MW capacity falls well short of demand and there are consequently frequent power cuts for both Israelis and Palestinians. The additional power generated by the new plant is hoped to bring an end to these power shortages.

Effects of intifada

Determination is certainly not in short supply, and despite the obstacles, work has barely stopped since it began in 1998. “Apart from the four months directly following the beginning of the intifada, work has been ongoing throughout most of the trouble,” says the PEC spokesman. “The main impact of the intifada was a delay for the main contractor, Alstom, because most of its foreign staff fled at that time. It took some time to convince them to return.”

But return they did – and approximately 40 foreigners, mostly European, now work alongside the hundred or so Palestinians who are employed, largely as labourers. A severe shortage of skilled labour inside the occupied territories means that most skilled positions are filled by foreigners or Palestinians who have trained abroad. Despite the obvious dangers of living in these conditions, our PEC spokesman reports that morale among the workers is high. “People were very angry when Israel used fighter planes to target Gaza,” he says. “But if anything, it strengthened their resolve to

see the project through.”



Although the safety of the staff on the site itself is not seen as a high risk, the procurement of equipment and materials does present some difficulties. For one of the main sub-contractors, Isa Khoury Metal Industry, an Arab company based inside Israel, the circumstances are particularly trying. Responsible for the manufacture, design and site erection of the metal tanks, chimneys and pipes which comprise the power station structure, IKMI was also in charge of transporting the first steam turbine to Gaza from the port in Israel, and its erection using a custom-built A550 mobile crane.

Executive manager Amir Khoury explains the difficulty with this cross-border movement of materials: “Everything we have to get into Gaza, for example boiler piping, we have to co-ordinate with both authorities and get special confirmation from them to be allowed into the area, due to security considerations.” He adds: “But there is willing for co-operation, as both sides have an interest in getting the plant working.” Travel is also restricted to the hours of daylight, further limiting the speed with which things can be achieved.

Power coming onstream

When work began in 1998, completion was originally scheduled for the end of last year. The intifada has obviously put paid to that, but now, two of the four 24MW gas turbines are already operational with the other two scheduled for start up at the end of this month. The remaining two 22MW steam turbines are hoped to be on line by February next year.

“That this project is going ahead is a real testament to the tenacity of the human spirit,” says the PEC source: “The Palestinian Authority is under siege, the strategic partner has been liquidated in the biggest corporate fiasco in American history and the whole area is subject to frequent bombings. It is a miracle that it is happening at all.”

He is right □ you couldn't invent such a scenario. But that Palestinians, Israelis, Americans and Europeans are working alongside one another to overcome these obstacles for a common goal, should surely bring us all renewed hope that peace in the Middle East is not such an impossible dream.

Project at a glance

Completion date:	February 2003
Project Type:	140MW combined cycle power plant 4 × 24MW gas turbines 2 × 22MW steam turbines
Value:	\$120mil., turnkey agreement
Client/developer:	Palestinian Electric Corporation/Enron
Main contractor:	Alstom Power
Main mechanical contractor:	Isa Khoury Metal Industry

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