

Roudi Baroudi: Natural Gas is a cheap and environmentally friendly source of power

Hariri Inks Egyptian Gas Pipeline Deal in Amman (January 2004)

The prime ministers of Egypt, Jordan, Lebanon and Syria signed a pipeline deal on Sunday in Amman that will eventually supply liquefied natural gas from Egypt to the other three states.

The \$1 billion pipeline – also known as the Arab Gas Pipeline – will begin at Port Said, in Egypt, and will end in the Syrian port of Banyas, passing through the Jordanian port of Aqaba and the kingdom's Rihab power station. The pipeline will be connected to the Lebanese natural gas power plant in Zahrani by 2005, and to the Syrian-Lebanese pipeline, called GASYLE I, which itself will be linked to the only other Lebanese natural gas power plant in Beddawi.

From Banyas, the Arab Gas Pipeline will be extended to Cyprus and Turkey in 2006.

The Arab Gas Pipeline will allow Electricite du Liban (EDL) to supply itself with enough energy to convert the power plants in Hreiche, Zouk and Jieh from oil to natural gas. The pipeline is expected to supply Lebanon with 7 million cubic meters of natural gas per day, which would allow EDL to save more than \$300 million a year if the oil price is \$30 a barrel, as it is today.

At the same time, the Energy and Water Ministry is due to complete the construction of GASYLE I – a 64-kilometer natural gas pipeline – by May 2004. The pipeline will connect Syria with Beddawi as a first step, and, later, Zahrani as a second step, and will transport a total of 3 million cubic meters of natural gas from Syria per day.

George Kamar, an advisor to the Energy and Water Minister Ayoub Humayed said that "EDL could thus save another \$200 million per year by generating electricity with natural gas," at Zahrani and Beddawi. "The price the Syrian Petroleum Company has given us is extremely encouraging and will assist us in reducing the public deficit," Roudi Baroudi, senior energy expert and senior advisor to Humayed, recently told The Daily Star.

Natural gas is a cheap and environmentally friendly source of power. It ensures a longer power plant life span and is nearly 30 percent more efficient when used in combined cycle plants like Lebanon's largest power plants in Zahrani and Beddawi. These two plants are the country's most modern, and currently the only plants that burn natural gas. Through EDL's effort to buy cheaper energy fuel, its customers would enjoy more efficient service, and power cuts would be rare. "At the same time customers' bills will decrease by at least 30 percent, making Lebanese businesses and industries more cost effective," said Baroudi.

Egypt has proven natural gas reserves of 1,656 billion cubic meters, according to October 2002 figures.