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Oman Power - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 95 pages | Mordor Intelligence

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Report description:

Oman Power Market Analysis

Oman Power Market size in 2026 is estimated at 13.99 gigawatt, growing from 2025 value of 12.87 gigawatt with 2031 projections showing 21.25 gigawatt, growing at 8.72% CAGR over 2026-2031.

Rising baseload demand from green-hydrogen electrolyzers, data-center expansions, and steady block-61 gas production underwrite near-term growth, while the 1 GW Manah solar complex and a 1 GW wind pipeline accelerate the renewable build-out. The North-South 400 kV interconnection reduces regional imbalances and unlocks export potential to the Gulf Cooperation Council grid. Policy moves such as APSR Decision 2024/43 begin to narrow subsidy gaps, incentivize private investment, and sharpen hourly price signals in the spot market. Developers continue to bid aggressively in tenders because long-term PPAs offer creditworthy offtake and regulated gas keeps levelized costs low.

Oman Power Market Trends and Insights

Accelerating Utility-Scale Solar PV Build-Out

Oman commissioned the 1 GW Manah I and II plants in January 2025, more than doubling installed renewable capacity and proving investor appetite for large projects at tariffs near USD 0.023 kWh. A Masdar-led consortium closed a PPA for the 500 MW Ibri III solar-plus-storage project in May 2024, setting the country's first utility-scale hybrid precedent. Nama PWP issued the 280

MW Al Kamil RfP in December 2024, confirming a visible pipeline through 2027. Compliance with IEC 61215 and IEC 61730 boosts lender confidence, and falling module prices widen project margins. Together, these factors position solar to deliver more than 30% of incremental generation by decade-end.

North-South 400 kV Interconnection Unlocking Renewables Corridors

Phase 1 of the 670 km North-South backbone entered service in 2024, stitching the MIS and Dhofar grids into a single synchronous area. Phase 2, a further 502 km, will reach Dhofar by 2027 and enable surplus midday solar from inland governorates to satisfy southern evening peaks. OETC is spending USD 2.2 billion on 41 transmission projects, including the USD 186 million Masirah Island link that replaces diesel generation. The corridor lays the electrical groundwork for a future Oman-UAE 400 kV tie, improving reserve sharing and boosting export prospects.

Limited Private-Equity Exits Due to Single-Buyer Model

Nama PWP's single-buyer structure locks most capacity into 20-25-year PPAs, leaving less than 5% of generation to spot trading in 2024 and constraining secondary-market liquidity. ACWA Power renewed its Barka 1 IWPP rather than divest because investor demand was thin. Funds chasing 5-7-year horizons find the Oman power market mismatched, lowering fresh equity inflows and slowing project recycle.

Other drivers and restraints analyzed in the detailed report include:

Green-Hydrogen Anchored Mega-Projects Driving New Electricity DemandRapid Data-Center & Bitcoin-Mining Load AdditionsProlonged Electricity-Tariff Subsidies Delaying Cost-Reflective Pricing

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Thermal assets, fueled largely by regulated-price natural gas, delivered 93.17% of generation in 2025, equating to the largest Oman power market share among power sources. Gas-fired plants will retain grid-stability duty through at least 2029 as the 2.4 GW Misfah-Duqm CCGT portfolio reaches COD. Even so, renewables are adding capacity faster than any other segment. Utility-scale solar alone contributed 1.855 TWh in 2025 and will exceed 6 TWh once Manah operates for a full year. Wind's 1 GW pipeline is slated for 2027, and green-hydrogen projects could catalyze 8-10 GW of captive renewables by 2031. The Oman power market size attributable to renewables is expected to expand at a 31.3% CAGR, lifting its slice toward 20% of total output by decade-end.

Nuclear, hydro, geothermal, biomass, and tidal remain negligible because Oman lacks suitable water bodies and high-grade geothermal reservoirs. Small diesel sets persist only on islands and remote oilfields, awaiting grid extensions such as the Masirah subsea cable. As LCOEs for solar plus storage keep falling, investors weigh hybrid bids with 4-hour batteries to monetize reserve and black-start services under OEMO's ancillary-market rules.

The Oman Power Market Report is Segmented by Power Source (Thermal, Nuclear, and Renewables) and End-User (Utilities, Commercial and Industrial, and Residential). The Market Sizes and Forecasts are Provided in Terms of Installed Capacity (GW).

List of Companies Covered in this Report:

Mazoon Electricity Distribution Company Muscat Electricity Distribution Company Majan Electricity Distribution Company Oman

Electricity Transmission Company (OETC) Oman Power & Water Procurement Company (OPWP) ACWA Power Sohar Power Company United Power Company Dhofar Generation Company Tanweer (RAECO) OQ Alternative Energy Hydrogen Oman (Hydrom) BP Oman (Khazzan/Ghazeer) Shell Integrated Power Oman EDF Renewables Oman Jindal Shadeed Iron & Steel (Captive Power) Shams IPPs Consortium (Ibri II) SMN Barka Power Company Marubeni Oman Power ENGIE Oman

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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