

Xayaboury eyes hydropower exports to Thailand

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A Thai developer expects to begin construction of a barrage hydropower project on the mainstream Mekong River next year in Xayaboury district, Xayaboury province.

"We are now preparing to mobilise funding for the investment and power purchase agreement which is to be signed soon," said the President and CEO of Ch. Karnchang Public Company Ltd, Mr Plew Trivisvavet.

Mr Plew was speaking at a signing ceremony for the tariff Memorandum of Understanding (MoU) on the Xayaboury Hydroelectric Power Project between the company and the Electricity Generating Authority of Thailand (EGAT) on Monday in Vientiane, witnessed by Standing Deputy Prime Minister Somsavat Lengsavad.

Construction of the hydropower barrage will take eight years to complete. "It will be an investment of about 24.6 trillion kip (US\$3 billion)," Mr Plew said.

EGAT representative Mr Sutat Patmasiriwat said the project is expected to begin commercial operation no later than 2019.

Mr Somsavat said the project would help expand Lao-Thai economic cooperation similarly to the Nam Ngum 2 hydropower plant and other projects that have led to power purchase



Mr Sutat Patmasiriwat (left) greets Mr Plew Trivisvavet after signing the agreement, witnessed by Standing Deputy Prime Minister Somsavat Lengsavad (second right, back row). —Photo Khamphanh

agreements with Thailand.

The plant will have an installed capacity of 1,280 megawatts (MW), and is a shared investment in which the Lao government holds about 20 percent and the remainder will be held by Ch. Karnchang and other investors.

"Once construction is complete the plant may be able to trade on both the Lao and Thai stock markets," Mr Plew said.

Monday's MoU set the sale of 1,220MW of energy to EGAT at a levelised tariff of about 2.159 Thai baht per kilowatt hour from the start of commercial operations throughout a yet to be set concession period.

The project will link with the EGAT grid at a substation via about 220km of 500kV transmission lines from the project site to the Thai border.

Director General of the Ministry of Energy and Mines' Energy Promotion and Development Department, Mr Xaypaseuth Phomsoupha, said the remaining 60MW generated by the plant will be distributed locally.

The project concession period will be set once the developer has conducted further studies. "After the studies the period can be set and then a concession agreement will be signed with the Lao government," he said.

The project will be under the management of the Mekong River Commission (MRC) by virtue of a cooperation agreement for sustainable development in the Mekong River basin countries of Cambodia, Laos, Thailand and Vietnam.

The plant is a run-of-river barrage which neither halts the

natural flow nor results in an accumulation of water on the mainstream Mekong, but will help preserve and maintain the consistent flow of water in the Mekong, particularly in the dry season.

The project will operate in strict compliance with MRC Guidelines, providing a navigation lock and fish ladder to ensure minimal impact on river travel for both humans and aquatic life.

The navigation lock will allow the passage of vessels up to 500 tonnes both up and downstream, promoting trade and commerce in the lower Mekong basin.

The fish ladder will be about 10 metres wide, allowing fish and other aquatic organisms to migrate up and downstream without obstacle, preserving the cycles and ecosystems of the river.

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