

546 PNG Power Limited

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2011	2012	2013	2014	2015
3266	PNG ELECT. INVST PRJ	8.0	8.0				
3267	RURAL SOLAR CAP ELEC	10.0					
TOTAL CAPITAL PROJECTS		18.0	8.0				
TOTAL		18.0	8.0				

546 PNG Power Limited

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2009 Actual	2010	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Current Transfers									
Goods and Other Services				3.0	3.0				
Sub-Total				3.0	3.0				
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation				5.0	5.0				
Sub-Total				5.0	5.0				
A	TOT DIRECT PROJECT COST			8.0	8.0				
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)				8.0	8.0				
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan				5.0	5.0				
Grant									
b) Self Generating Revenue									
a) Government Input				13.0	13.0				
C	TOTAL DIRECT FINANCING			18.0	18.0				
Technical Assistance									
D	TOTAL FINANCING (C+D)			18.0	18.0				
FINANCING SOUGHT									
Direct Project Cost (A-C)				-10.0	-10.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				-10.0	-10.0				

PIP NUMBER: 3266

PROJECT NAME: PNG TOWN ELECTRICITY INVESTMENT PROJECT

EXECUTING AGENCY: PNG Power Limited

PROJECT OBJECTIVIES:

The objective of the project is to improve the power supply in provincial urban centers through replacement of high cost diesel power generation with sustainable renewable energy generation.

PROJECT STATUS:

This is a new program scheduled for implementation in 2011. Thus the Draft NEC Decision is been finanlized for submission to the National Executive Council at the end of this month (August).

PROJECT COMPONENTS:

The investment program will be supported by a Multi-tranch Financing Facility (MFF) consisting of two tranches over a six year period. The following will be implemented in Tranch one (1). Divune Hydropower Plant in Oro province, Lark Hargy Interconnection in West New Britain and Ramazone Hyrdopower Plant in Bougainville.

PROJECT JUSTIFICATION:

In PNG, grid connected power supply is largely restricted to the main urban areas. Less than 10 percent of the population has access to electricity. In Provincial main urban centers not connected to the main power grids, a relatively low percentage of urban residents are connected and distributed power to outside the provincial urban center is rare. Power supply to business and industries is unreliable with regular power outages and generation does not meet demands. It is the intention of this investment program that this concerns and power development issues be tackled and improve to meet current and future demands and improve living standards.

PROJECT CAPACITY:

the Department of Petroleum and Energy together with PNG Power Limited have the institutional capacity in terms of policy regulation and implementation to implement this investment program for six years of its project life.

PROJECT BENEFICIARIES:

The all country will greatly benefit when this project is implemented . As PNG will be facing a shortage of power supply when PNG LNG come in to operation. The demand of power supply will be more and this project will be a resure for investments in operation in the country. It will benefit the whole country.

PROJECT SUSTAINABILITY

The PNG Power as the implementating agency will sustain maintenance of the plants through collection of power user fees from customers and clients.

3266 PNG TOWN ELECTRICITY INVESTMENT PROJECT

ESTIMATED TOTAL PROJECT COST 42,000.0 ESTIMATED DURATION OF THE PROJECT 6.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
A	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Goods and Other Services			3,000.0	3,000.0				
	Current Transfers								
	Sub-Total			3,000.0	3,000.0				
	Capital Expenditure								
	Acquisition of Existing Assets								
	Capital Formation			5,000.0	5,000.0				
	Capital Transfers								
	Sub-Total			5,000.0	5,000.0				
TOT DIRECT PROJECT COST				8,000.0	8,000.0				
B	Technical Assistance								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)				8,000.0	8,000.0				
FINANCING SOURCES									
C	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	a) Government Input			3,000.0	3,000.0				
	b) Self Generating Revenue								
	Loan			5,000.0	5,000.0				
	Grant								
	TOTAL DIRECT FINANCING			8,000.0	8,000.0				
	Technical Assistance								
	TOTAL FINANCING (C+D)			8,000.0	8,000.0				
FINANCING SOUGHT									
D	Direct Project Cost (A-C)								
	Technical Assistance (B-D)								
	TOTAL FINANCING SOUGHT								

CURRENT DONOR INVOLVEMENT

The project is co-funded by GoPNG and ADB totalling K42. million for implementation in 2011. The K42. million is

POTENTIAL DONOR INVOLVEMENT

Nil.

2011 Budget Votes for this PIP are :-

54633021202 PNG TOWNS ELECTRICITY INVESTMENT PROJECT

PIP NUMBER: 3267

PROJECT NAME: RURAL SOLAR CAPACITORS ELECTRICITY

EXECUTING AGENCY: PNG Power Limited

PROJECT OBJECTIVIES:

The objective of the project is to provide solar power to rural villages in the District. It intends to install solar and generate power supply more affordable to rural communities. Through installation and construction of solar power will make way to extend power lines and power poles connecting with the main power grids.

PROJECT STATUS:

This is a new project that will be implemented in 2011. The project is in line with the MTDP. Currently, there are projects already been implemented and are existing in some districts from solar. Some other projects apart from solar generating power supply were implemented by PPL and few from other local contractors.

PROJECT COMPONENTS:

This program will be piloted in the Autonomous Region of Bougainville and rolled out to other parts of the country. The major components are 1. Feasibility Study for Mivo / Siribi, South Bougainville, 2. Hydro power construction for Tagurau and Ramazon 3. Rehabilitation of existing District power stations.

PROJECT LOCATION:

The project is intended to be implemented in all districts. However it will be piloted in the Autonomous Region of Bougainville and rolled out to other parts of the country.

PROJECT JUSTIFICATION:

The project is justified for two critical reasons. (1) The provision electrification to the rural communities will greatly enhance the accessibility of people to connect them to PPL Power gridline. Furthermore the Government's program for recovery and development which comprises good governance, export driven economic growth and rural development through human resources development, as contained in the MTDP. (2) The rural electricity program is having a positive impact on the provincial economy. It is enabling the people in the rural areas to set up small business like petrol stations, tyre services, sawmilling, small garage for repair of vehicles and etc.

PROJECT CAPACITY:

The project will be implemented through PNG Power Limited. The project will be outsourced to PPL hence it has the capacity to implement. PPL is the only organisation that produces and supply power and reticulate in the country.

PROJECT BENEFICIARIES:

The project will be a great benefit to all people living in and around that area. It will create jobs for the unemployed and boost the business activities to rise and people will be able to make their own income.

PROJECT SUSTAINABILITY

The project will be sustained by availability of Provincial and National Government funding. Provincial Administration Staff cost will be taken care of by the Administration. The maintenance and repair works will be taken care of by the PPL as part of their ongoing recurrent activities. The cost will be taken from the annual PPL operation and maintenance budget.

3267 RURAL SOLAR CAPACITORS ELECTRICITY

ESTIMATED TOTAL PROJECT COST 10,000.0 ESTIMATED DURATION OF THE PROJECT 2.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
A	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Goods and Other Services								
	Current Transfers								
	Sub-Total								
	Capital Expenditure								
	Acquisition of Existing Assets								
	Capital Formation								
	Capital Transfers								
	Sub-Total								
TOT DIRECT PROJECT COST									
B	Technical Assistance								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)									
FINANCING SOURCES									
C	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	a) Government Input			10,000.0	10,000.0				
	b) Self Generating Revenue								
D	Loan								
	Grant								
TOTAL DIRECT FINANCING				10,000.0	10,000.0				
Technical Assistance									
TOTAL FINANCING (C+D)				10,000.0	10,000.0				
FINANCING SOUGHT									
	Direct Project Cost (A-C)			-10,000.0	-10,000.0				
	Technical Assistance (B-D)								
	TOTAL FINANCING SOUGHT			-10,000.0	-10,000.0				

CURRENT DONOR INVOLVEMENT

Fully funded by GoPNG. No donor involvement.

POTENTIAL DONOR INVOLVEMENT

2011 Budget Votes for this PIP are :-

54637011201 RURAL ELECTRIFICATION