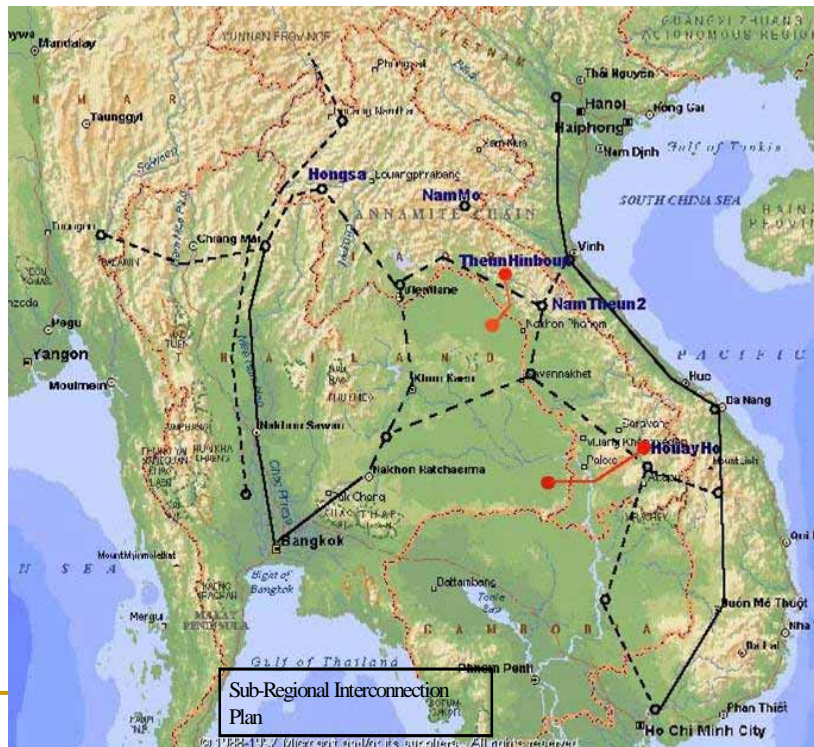

Regional consultation on MRC's Hydropower Programme

**Presentation by Viraphonh Viravong, Director General;
Department of Electricity, Ministry of Energy & Mines;
25-27th September 2008 - Vientiane**

Lao PDR – Powering Progress

Lao PDR Country Profile



- Population 5.7 million
- Still poor (LDC status)
- GDP of US\$ 3.5 billion
- Per capita GDP of US\$ 606
- Limited industry & export
- Electricity export = 11.6% of total country's export revenues
- Today total installed capacity : 700Mw
- **6 HP Projects or 2,250 Mw are under construction with COD in 2009-2012**
- **5 HP Projects or 2,720 Mw with tariff MoU concluded**

Independent Power Producers

- **Existing IPP**

- Theun-Hinboun 210Mw HPP COD in 1998
- Houay Ho 150Mw HPP COD in 1999

- **IPP Under Construction**

- Nam Theun-2 1,088Mw HPP COD in 2009
- Nam Ngum-2 615Mw HPP COD in 2010
- Xe Kaman-3 250Mw HPP COD in 2010
- Nam Lik-1-2 100Mw HPP COD in 2011
- Nam Ngum-5 120Mw HPP COD in 2011

- **IPP with Tariff MOU concluded**

- Theun-Hinboun Expansion 280Mw HPP COD in 2012
- Nam Gnum-3 460Mw HPP COD in 2013
- Nam Theun-1 520Mw HPP COD in 2015
- Nam Ngiep-1 260Mw HPP COD in 2015
- Nam Ou cascades 1,200Mw HPP COD in 2015
- Hongsa Lignite 1,800Mw COD in 2015

History of Power Sector Development

- In 1987 the Power Sector was set as prime sector in the Long Term National Development Plan.
- During 1993-2006 Memoranda of Understanding on the power exchange program were signed with the Thai Government under which 5,000 MW is to be supplied to Thailand up to 2015; Another 2,000+ Mw was agreed for the exchange after 2015.
- During 1998-2007 MOU's for the exchange of 5,000MW were signed with the Government of Vietnam.
- In 1999 Agreement on Cooperation in Power Sector was signed with the Government of Cambodia
- In 2000 first Power Sector Strategy developed
- In 2006 National Policy on Environmental and Social Sustainability of the Lao Hydropower Sector issued
- Legal framework has been gradually improved to meet international financing requirements

Objectives of Power Sector Development

- ⚡ In addition to export, rural electrification to promote better socio-economic conditions of people in isolated communities
 - ⚡ Provide a source of revenues to fund economic and social development and alleviate poverty
 - ⚡ Meet the commitments specified in intergovernmental MOUs and Agreements with Thailand, Vietnam, China and Cambodia
 - ⚡ Explore and exploit mutually beneficial cross border exchanges of electricity with neighbouring countries of the sub-region
 - ⚡ Integrate power sector with international communities through power exchange programs and foreign direct investment
-

Power Sector Policy

- ⚡ Maintain and expand affordable, reliable and sustainable electricity supply to promote economic and social development
 - ⚡ Tap the country's potentials aiming at promoting power generation for export to provide revenues to meet Government development objectives with particular emphasis on poverty eradication
 - ⚡ Gain capacity building through imported technical know-how and managerial expertise
 - ⚡ Ensure accountability and transparency of environmental and social impacts and thereby achieve sustainable development
 - ⚡ Enhance and strengthen the legal and regulatory framework to meet requirements of international financing; streamline and institutionalize the Lao power sector
-

Mekong Hydropower Program

MoU signed and Feasibility Studies on-going

- **Don Sahong Mekong HP Project: 360Mw**
 - MEGA FIRST Berhad Consortium of Malaysia
 - GOL
 - **Pak Lay Mekong HP Project:1,320Mw**
 - China Electronics I&E Corp. of China
 - Sinohydro Corp.Ltd. of China
 - GOL
 - **Xayaburi Mekong HP Project:1,260Mw**
 - CH. Karnchang Public Co.Ltd of Thailand
 - GOL
 - **Pak Beng Mekong HP Project:1,320Mw**
 - Datang International of China
 - GOL
-

Mekong Hydropower Program

- **Luang Prabang Mekong HP Project: 1,410 Mw**

- Petrovietnam Power Corporation of Vietnam
- GOL

- **Sanakham Mekong HP Project: 1,000 Mw**

- Datang International of China
- GOL

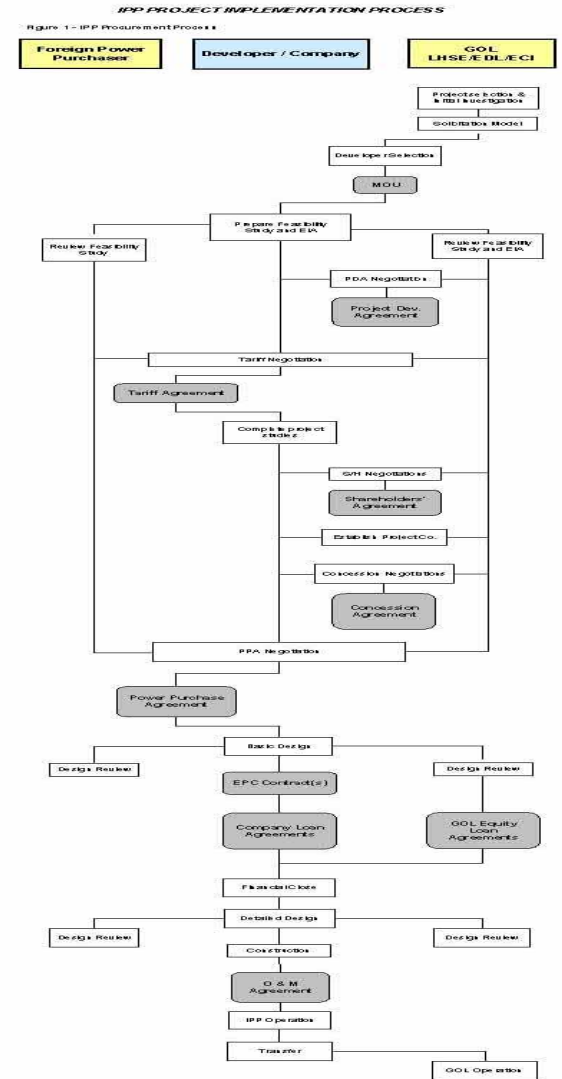
- **Latsua Mekong HP Project: 800 Mw**

- Charoen Energy and Water Asia co. Ltd. of Thailand
- GOL

- **Ban Koum Mekong HP Project: 2,330 Mw**

- Italian-Thai Development Public co. Ltd. of Thailand
- Asia Corp Holdings Ltd. of Laos
- GOL

IPP Projects Business Proceeding

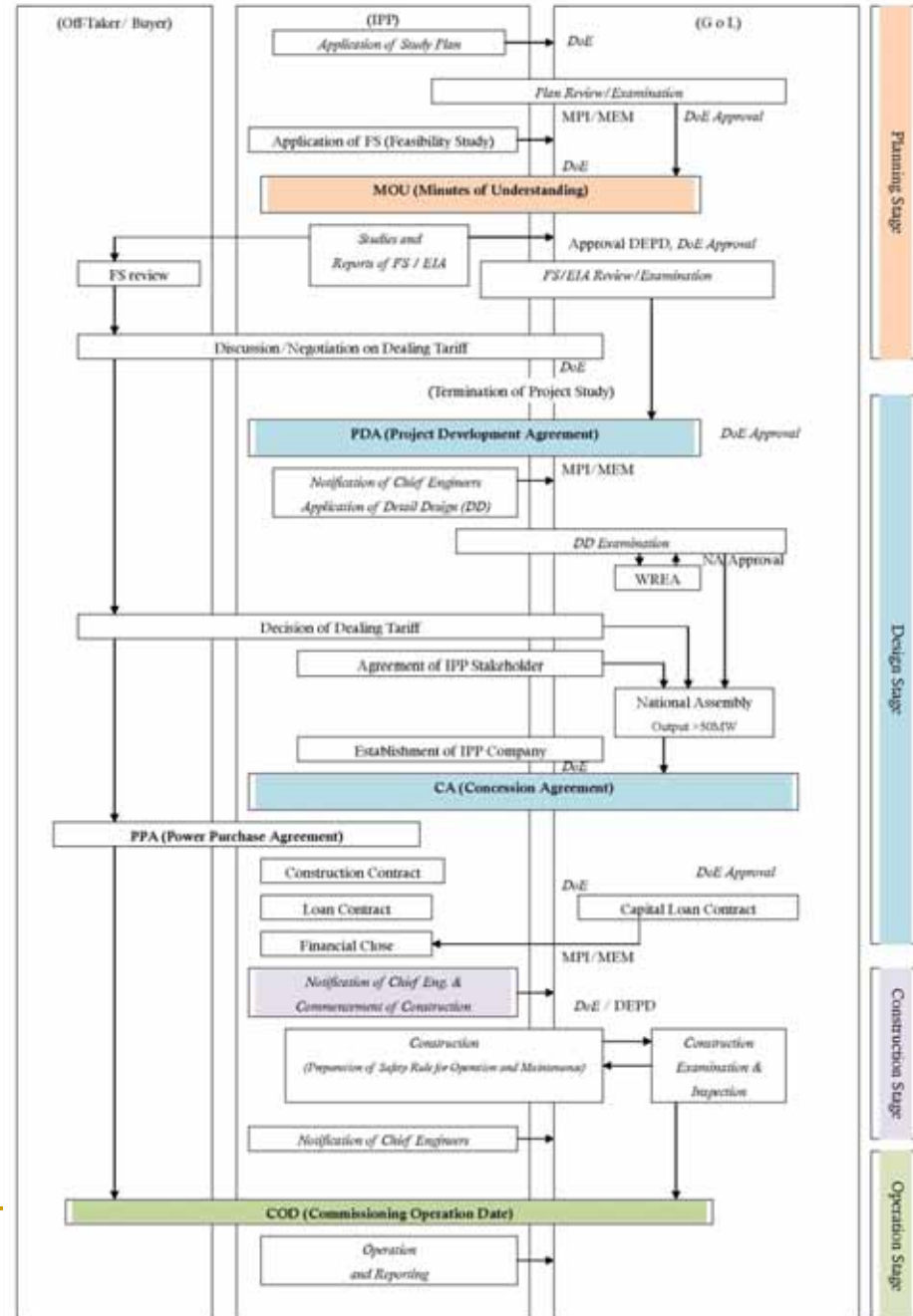


RESPONSIBLE GOV. AGENCIES	
Export	Domestic
DOE	DOE/MEM
	EDL
MPI/MEM	MEM
	EDL
MPI/MEM	MPI/MEM
DDF/MPI	
DOE/DEPD	DOE/DEPD
WREA	WREA
DEPD	DEPD/MEM
CDEP	EGL/CDP
DOE/DEPD	DOE/DEPD
WREA	WREA
	EDL
LHSE	EDL
DDFI	FIMC
	EDL
MPI	MPI
DEPD	DEPD/MEM
CDEP	EDL
DOE/DEPD	DOE/DEPD
WREA	WREA
	EDL
EDL	EDL

MPI: MINISTRY OF PLANNING & INVESTMENT
 MEM: MINISTRY OF ENERGY & MINES
 DDF/MPI: DEPARTMENT OF DIRECT FOREIGN INVESTMENT
 DOE/MEM: DEPARTMENT OF ELECTRICITY
 DEPD/MEM: DEPARTMENT OF ENERGY PROMOTION & DEVELOPMENT
 WREA: WATER RESOURCE & ENVIRONMENT AGENCY
 CDEP: COORDINATING COMMITTEE FOR THE DEVELOPMENT OF ELECTRIC POWER
 LHSE: LAO HOLDING STATE ENTERPRISE - GOL'S REPRESENTATIVE FOR EXPORT IPP
 EDL: ELECTRICITE DU LAOS - GOL'S REPRESENTATIVE FOR DOMESTIC IPP
 ECI: ELECTRIC CONSTRUCTION & INSTALLATION - GOL'S REPRESENTATIVE FOR SPP

IPP Projects Implementation of LEPTS

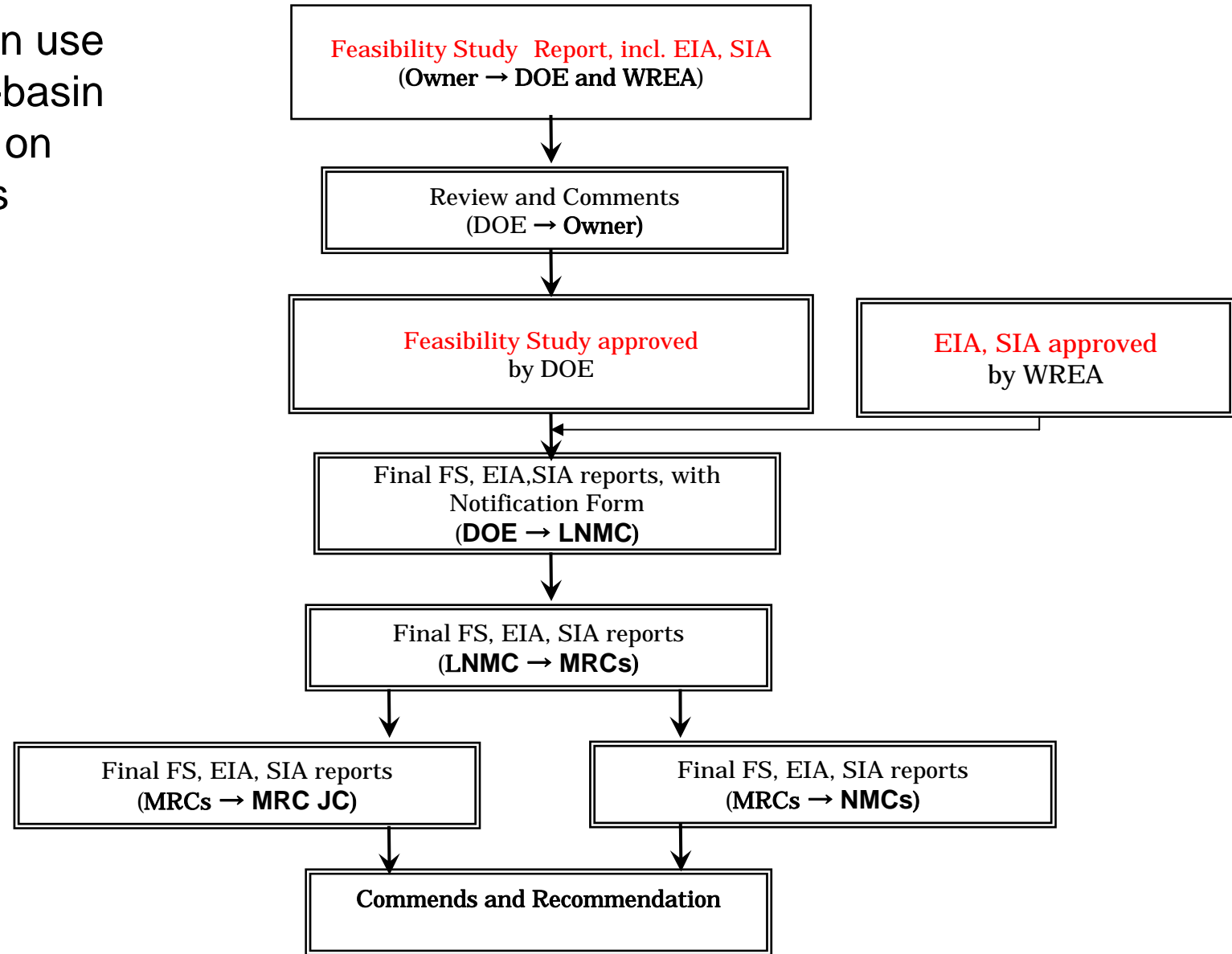
Implementation of LEPTS on IPP Development in Laos



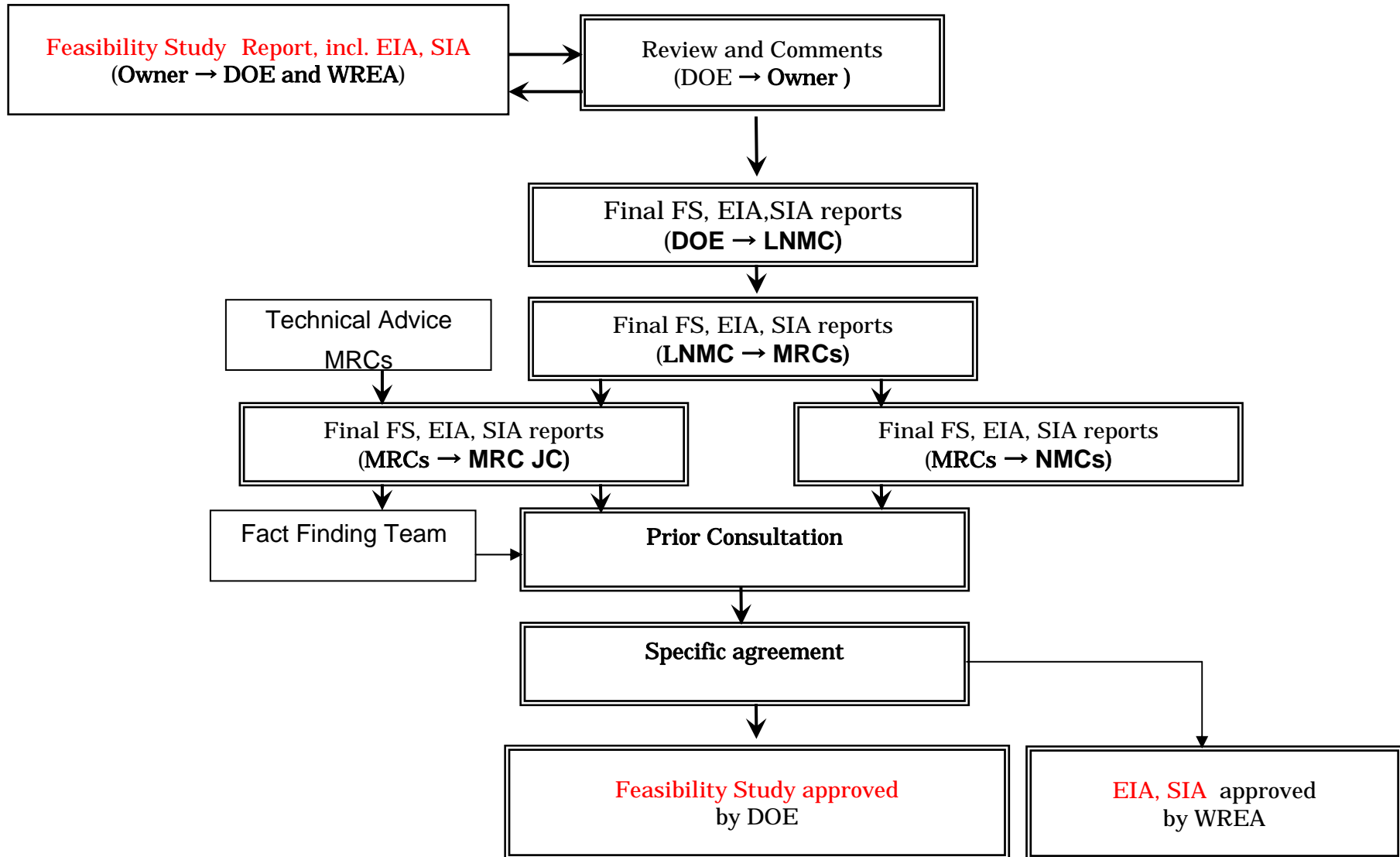
Implementing of the “1995 Mekong Agreement and Procedural Rules” on IPP Business in Laos

- See details in the following slides

Intra-basin use
and inter-basin
diversion on
tributaries



Intra-basin use on the mainstream



The Lao PDR Commitment

- We would like to confirm that all Hydropower Development on the Mekong Mainstream in the Lao PDR will strictly adhere to the “Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin, 5 April 1995”, and the “1995 Mekong Agreement and Procedural Rules”

Mekong Hydropower Program

More information available on

www.poweringprogress.org

or

Contact

E-mail: viraphonh123@yahoo.com

Mekong Hydropower Program

**THANK YOU
FOR YOUR KIND ATTENTION**