



Viet Nam: VIE: PHU MY 3 POWER

Project Name	VIE: PHU MY 3 POWER				
Project Number	36901-014				
Borrower / Company	PHU MY 3 BOT POWER COMPANY LIMITED				
Country / Economy	Viet Nam				
Location					
Type or Modality of Assistance	1923	Loan	Ordinary capital resources	USD 40.00 million	Closed
	1923	Guarantee	Ordinary capital resources	USD 35.00 million	Closed
Strategic Agendas	Inclusive economic growth				
Drivers of Change					
Sector / Subsector	Energy / Conventional energy generation				
Gender					
Responsible ADB Department	Private Sector Operations Department				
Responsible ADB Division	Portfolio Management Division, PSOD				
Responsible ADB Officer	Garcia, Broderick B.				
Project Sponsor(s)	BP HOLDINGS B.V. Kyushu/Sojitz (formerly Nissho Iwai) SembCorp				
Description	The Project is a 716.8 MW gas-fired combined-cycle power plant on a build-operate-transfer (BOT) basis at the Phu My Power Generation Complex in Ba Ria-Vung Tau Province. Electricity generated from the Project is sold to Electricity of Vietnam (EVN) on a take-or-pay basis for 20 years under a power purchase agreement. PetroVietnam Gas Corporation (PVGas) supplies the Project with natural gas from the Nam Con Son Gas Basin for 20 years under a gas supply agreement. The plant will be transferred to the Government of Vietnam at the end of the BOT period. The Project is a high-priority undertaking for the Government as an integral part of the country's least-cost power generation expansion program and also the Integrated Gas-Power-Urea Project in Ba Ria-Vung Tau, a national key project. The Government has guaranteed the availability, convertibility, and transferability of foreign exchange and the performance obligations of the Vietnamese counterparties under the project agreements. The Project is operated by Phu My 3 BOT Power Company Limited (the BOT Company), which is jointly held by BP Holdings B.V., SembCorp Utilities Pte. Ltd., and the consortium of Kyuden International Corporation and Nissho Iwai Corporation.				
Objectives and Scope	The Project helps: (i) ease Viet Nam's projected power supply shortfalls in a least-cost manner and reduce the power system's dependency on hydropower; (ii) expand consumer access to competitively-priced and reliable power supply within a relatively short time; (iii) improve the sector's governance by promoting good commercial practices in power plant operations and management; and (iv) develop and commercialize indigenous natural gas.				
Status of Development Objectives	The Project has succeeded in meeting its primary development objectives. Phu My 3 is the first of two large-scale BOT gas-fired power plants which contributes to more reliable base load and more diversification of energy sources in Viet Nam. It serves as a successful model for the development of an integrated gas for power project. The Project involves the transfer of technology and best practices in power plant operation, as well as in environment, health and safety management. Following the successful implementation of Phu My 2.2 and Phu My 3, Viet Nam is developing other power plant complexes with foreign private sector participation replicating the Phu My model.				
Status of Operation/Construction	Phu My 3 has been operating satisfactorily since its commercial operation date was declared on 1 March 2004.				
Linkage to Country/Regional Strategy	The Project is consistent with ADB's energy sector strategy as well as ADB's Vietnam country strategy and program that advocate private sector participation in infrastructure development and use of environmentally friendly technology.				
Safeguard Categories					
Environment	A				
Involuntary Resettlement					
Indigenous Peoples					
Summary of Environmental and Social Aspects					
Environmental Aspects	The power plant employs modern combined-cycle technology with high thermal efficiency. With natural gas as the primary fuel, nitrogen oxides comprise the only stack emissions of significant interest and are measured continuously. The emissions of nitrogen oxide and sulfur dioxides, aqueous discharges, and noise comply with Vietnamese standards and World Bank guidelines. Environmental mitigation measures as indicated in the summary environmental impact assessment have been implemented. Phu My 3 has also developed a procedure to assess health and safety risks in workplace conditions and activities to ensure all control measures are in place. In terms of social impact, Phu My 3 has contributed to enhancing the electrification rate in Viet Nam, created jobs, and engaged in various community support programs.				
Involuntary Resettlement					
Indigenous Peoples					
Stakeholder Communication, Participation, and Consultation					
Timetable for assistance design, processing and implementation					
Concept Clearance	22 Feb 2002				
Credit Committee Meeting	19 Jul 2002				

Approval	18 Oct 2002
PDS Creation Date	21 Aug 2006
Last PDS Update	28 May 2018

Project Page	https://www.adb.org/projects/36901-014/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=36901-014
Date Generated	06 June 2023

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