



## Project Data Sheet

Project 51308-001

Project Name	Chennai-Kanyakumari Industrial Corridor: Power Sector Investment Project
Project Number	51308-001
Country / Economy	India
Project Status	Active
Project Type / Modality of Assistance	Loan Technical Assistance

---

**Loan 3850-IND: Chennai-Kanyakumari Industrial Corridor Power Sector Investment Project**

---

Ordinary capital resources	US\$ 451.00 million
----------------------------	---------------------

---

**TA 9843-IND: Institutional Capacity Building of Tamil Nadu Transmission Corporation Limited**

Source of Funding / Amount	Technical Assistance Special Fund	US\$ 650,000.00
----------------------------	-----------------------------------	-----------------

---

**TA 9843-IND: Institutional Capacity Building of Tamil Nadu Transmission Corporation Limited (Supplementary)**

---

Technical Assistance Special Fund	US\$ 350,000.00
-----------------------------------	-----------------

---

**TA 9843-IND: Institutional Capacity Building of Tamil Nadu Transmission Corporation Limited (Supplementary)**

---

Technical Assistance Special Fund	US\$ 150,000.00
-----------------------------------	-----------------

Operational Priorities	OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP6: Strengthening governance and institutional capacity
------------------------	---

Sector / Subsector	<b>Energy</b> / Electricity transmission and distribution
--------------------	---

Gender	Some gender elements
--------	----------------------

The Chennai-Kanyakumari Industrial Corridor: Power Sector Investment Project will address the core problem of meeting the expected industrial power demand to ensure reliable power supply by augmenting the power transmission capacity between the southern part of the state (Madurai-Thoothukudi), the northern region (Chennai), and the western region (Coimbatore) at 765 kilovolt (kV) level. The proposed investment is expected to provide a transmission corridor to evacuate power from the renewable and thermal power plants to be located in Madurai-Thoothukudi area and supply industrial hubs in the Chennai-Madurai area and in Coimbatore.

The proposed project will have two outputs consisting of:

(i) Output 1: This will establish a 765 kV power transmission link between the energy generation hub in MaduraiThoothukudi area and load centers in the western and northern parts of the state. This output consists of (a) Virudhunagar (765/400/230 kV, 2x1,500 megavolt amperes [MVA] and 2x500 MVA) substation; (b) 320 km of 765 kV transmission lines from Virudhunagar to Coimbatore; and (c) 356 km of 400 kV transmission lines to link Virudhunagar substation to several 400/230 kV pooling substations for wind and solar power plants; and

(ii) Output 2: This will establish a pooling substation to receive electricity generated from power plants in the Thoothukudi district. This consists of (a) Ottapidaram (400/230/110 kV, 2x315 MVA and 2x200 MVA) substation; (b) 200 km of 400 kV transmission lines to connect Ottapidaram substation with several thermal and renewable power plants; and (c) 90 km of 230 kV and 110 kV transmission lines to connect Ottapidaram substation with nearby load centers.

(iii) : Financial and institutional capacity of Tamil Nadu Transmission Corporation Limited improved. This output will (i) assist TANTRANSCO in implementing the FRP to restore its financial sustainability; (ii) support the financial management action plan (FMAP) to improve the financial management capacity and corporate governance of TANTRANSCO; (iii) facilitate the introduction of gender-sensitive workplace practices; and (iv) enhance the capacity of TANTRANSCO to monitor the environmental and social impacts of transmission projects. The attached TA will support these activities.

The MaduraiThoothukudi area of CKIC has excellent wind and solar resources, of which about 4,000 MW is proposed for development in the next 5 years. In addition, 4,000 MW of thermal capacity additions will also be located in this region. Due to inadequate transmission network capacity, there has been curtailment of wind and solar energy and this will continue to act as a barrier to the further development of renewable energy in the region. These constraints may also cause the reliability of power supply to industrial nodes in ChennaiTrichy area of CKIC and in Coimbatore to deteriorate, hindering further expansion of industrial development of the state.

Required strengthening of the transmission network includes a critical need to improve the transmission connectivity at extra high voltage 765 kilovolt (kV) level between the proposed energy hub in MaduraiThoothukudi area in the southeast region of Tamil Nadu and demand centers in ChennaiMadurai in the northern area of CKIC and Coimbatore. In addition, the proposed renewable energy hubs need to be connected to the 765 kV network through pooling substations at 400 kV level. Industrial parks in MaduraiThoothukudi area also require connectivity at 230 kV level to meet the expected increase in electricity demand.

Description

Project Rationale and Linkage to Country/Regional Strategy

Impact Industrial development and renewable energy utilization in Tamil Nadu enhanced

### **Project Outcome**

---

Description of Outcome Power supply in the CKIC increased in a financially sustainable manner

Progress Toward Outcome Progress will be measured on physical completion of the packages.

### **Implementation Progress**

---

Description of Project Outputs Transmission link from southern CKIC to load centers in northern CKIC established  
Pooling substation established in Thoothukudi District  
Financial and institutional capacity of TANTRANSCO improved  
Strategic recommendation to improve the financial sustainability and operational efficiency of Tamil Nadu power sector made.

Status of Implementation Progress (Outputs, Activities, and Issues) All works and Consultancy contracts envisaged under the loan awarded. The Project is being implemented smoothly.

Geographical Location Tamil Nadu

### **Safeguard Categories**

---

Environment B

Involuntary Resettlement B

Indigenous Peoples C

### **Summary of Environmental and Social Aspects**

---

Environmental Aspects The Environmental Consultants are on field, and working with in coordination with the EA towards environmental compliance.

Involuntary Resettlement

Indigenous Peoples

### **Stakeholder Communication, Participation, and Consultation**

---

During Project Design Undertaken.

During Project Implementation Being undertaken.

### **Business Opportunities**

---

Consulting Services A transaction technical assistance of \$500,000 to be financed through TASF Others is proposed to (i) enhance TANTRANSCO's financial management capacity; (ii) address remaining legacy issues from incomplete unbundling of TANTRANSCO (transmission company) from distribution and generation operations of erstwhile Tamil Nadu Electricity Board (TNEB); and (iii) enhance gender inclusivity of the project.

Procurement Advanced procurement action will be used for procurement of EPC contractors for supply and installation of substations and transmission lines. It is likely that contracts up to 30% of the proposed loan amount may be awarded as advanced contracts. The recommended project procurement classification is category A given (i) the presence of high value contracts in excess of \$100 million; (ii) TANTRANSCO's lack of experience in implementing ADB-financed projects.

Responsible ADB Officer Banerjee, Jyotirmoy

Responsible ADB Department South Asia Department

Responsible ADB Division India Resident Mission (INRM)

Executing Agencies *Ministry of Finance (Aid Accounts & Audit Division)*  
*Tamil Nadu Transmission Corporation Limited (TANTRANSCO)*

### Timetable

Concept Clearance	12 Jul 2018
Fact Finding	21 Jan 2019 to 28 Jan 2019
MRM	31 Jul 2019
Approval	04 Nov 2019
Last Review Mission	-
Last PDS Update	13 Dec 2022

### Loan 3850-IND

#### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Nov 2019	28 Nov 2019	17 Jan 2020	30 Jun 2025	-	-

#### Financing Plan

#### Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	653.50	Cumulative Contract Awards			
ADB	451.00	16 Jan 2024	383.19	0.00	85%
Counterpart	202.50	Cumulative Disbursements			
Cofinancing	0.00	16 Jan 2024	271.40	0.00	60%

#### Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Partly satisfactory	-	-	Unsatisfactory	-	-

### TA 9843-IND

#### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

04 Nov 2019 30 Dec 2019 30 Dec 2019 30 Nov 2021 29 Dec 2024 -

<b>Financing Plan/TA Utilization</b>							<b>Cumulative Disbursements</b>	
ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount
		Gov	Beneficiaries					
1,150,000.00	0.00	0.00	0.00	0.00	0.00	1,150,000.00	16 Jan 2024	1,111,243.61

### **Status of Covenants**

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Unsatisfactory	-	-	Unsatisfactory	-	-

© 2024 Asian Development Bank

This page was generated from /projects/51308-001/main on 02 February 2024