



Philippines: Electricity Market and Transmission Development

Project Name	Electricity Market and Transmission Development								
Project Number	36018-013								
Country	Philippines								
Project Status	Closed								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 1984-PHI: Electricity Market and Transmission Development</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 40.00 million</td> </tr> <tr> <td colspan="2">Loan: Electricity Market and Transmission Development</td> </tr> <tr> <td>Japan Bank for International Cooperation (non-ODA)</td> <td>US\$ 45.50 million</td> </tr> </table>	Loan 1984-PHI: Electricity Market and Transmission Development		Ordinary capital resources	US\$ 40.00 million	Loan: Electricity Market and Transmission Development		Japan Bank for International Cooperation (non-ODA)	US\$ 45.50 million
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Strategic Agendas	Inclusive economic growth								
Drivers of Change	Private sector development								
Sector / Subsector	Energy - Electricity transmission and distribution								
Gender Equity and Mainstreaming	No gender elements								
Description	The objective of the Project is to develop necessary infrastructure for the power sector restructuring, i.e. (i) to establish the Wholesale Electricity Spot Market (WESM) so that the electricity generation is dispatched on a competitive basis to meet the power demand; and (ii) to upgrade the critical transmission lines and substations as required in the Transmission Development Plan to ensure the reliability of the power supply.								
Project Rationale and Linkage to Country/Regional Strategy	ADB has had a long involvement in, and is highly supportive of, the Government's plans to restructure and privatize the electric power industry, and create a competitive electricity market. Important underlying requirements of a competitive electricity market include first of all a fully functional power trading and pooling system and an adequate transmission network. Therefore, timely implementation of the WESM will be a prerequisite for the successful implementation of the power sector's restructuring and privatization. With the operations of WESM, the competition in the power sector is envisioned to bring electricity prices closer to marginal cost in medium and long term. All of the transmission components included in the proposed Project are also of high-priority for TRANSCO as defined in its least-cost transmission development plan. In particular, the substation expansion will enable implementation of accelerated rural electrification programs in Mindanao, which is one the poorest regions in the Philippines and its percentage of barangays with electricity in Mindanao is well below the national average. The Project fits into ADB's country operational strategy for the Philippines. The Project fits into ADB's country operational strategy for the Philippines and in line with TRANSCO's least-cost transmission development plan. As such, the Project will enable implementation of accelerated rural electrification programs, particularly in Mindanao, one of the poorest regions in the Philippines.								
Impact									
Project Outcome									
Description of Outcome									
Progress Toward Outcome									
Implementation Progress									
Description of Project Outputs									
Status of Implementation Progress (Outputs, Activities, and Issues)									
Geographical Location	Luzon and Mindanao								

Safeguard Categories

Environment	B
Involuntary Resettlement	
Indigenous Peoples	

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Business Opportunities

Consulting Services	About 48 person-months of international and 24 person-months of domestic consulting services with expertise in (i) project and contract management, (ii) electricity market operation, (iii) computer software development, and (iv) computer systems integration and testing will be required to manage the procurement and implementation of the market management system of part A. A consulting firm will be selected by TRANSCO using quality and cost-based selection, based on an evaluation of full technical proposals.
Procurement	For Part A of the Project, a turnkey contract for procurement and installation of hardware and software will be awarded using international shopping. Under part B, a turnkey contract will be awarded for the Luzon transmission upgrading using international competitive bidding (ICB) procedures. Such procedures will also be used for the supply and delivery of materials and equipment for Mindanao substations expansion. Erection and installation will be undertaken and funded by TRANSCO using local competitive bidding in accordance with standard procedures of TRANSCO that are acceptable to ADB.

Responsible Staff

Responsible ADB Officer	Kausar, Rehan
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Energy Division, SERD
Executing Agencies	<i>National Transmission Corporation (TRANSCO) Project Director Diliman, Metro Manila</i>

Timetable

Concept Clearance	08 Mar 2002
Fact Finding	02 Apr 2002 to 26 Apr 2002
MRM	13 Jun 2002
Approval	19 Dec 2002
Last Review Mission	-
PDS Creation Date	04 Dec 2006
Last PDS Update	06 Feb 2009

Loan 1984-PHI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
19 Dec 2002	16 Dec 2003	09 Mar 2004	30 Jun 2009	-	03 Aug 2009

Financing Plan	Loan Utilization
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	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	105.50	Cumulative Contract Awards			
ADB	40.00	19 Dec 2002	32.18	0.00	90%
Counterpart	20.00	Cumulative Disbursements			
Cofinancing	45.50	19 Dec 2002	35.59	0.00	100%

Project Page <https://www.adb.org/projects/36018-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=36018-013>

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