

## Myanmar

### Baluchung No.2 Power Station Renovation Project



The control room

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	3,530 million yen / 3,460 million yen
Loan Agreement	November 1987
Terms & Conditions	Interest rate 2.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	May 1995

#### Project Outline

The project involved the renovation of superannuated generators at the Baluchung No. 2 Power Station, which is located in central Myanmar, with the aim of ensuring a reliable supply of electricity to the capital Yangon and the Mandalay region.

#### Results and Evaluation

The Baluchung No. 2 Power Station was constructed in two phases, with Phase 1 (three 28MW generators) being completed in 1960 and Phase 2 (identical scope) in 1974. However, whilst it fulfilled its role as an important power supply source, the generators had become increasingly superannuated during the long years since completion resulting in a decrease in maximum generating capacity to 142MW vis-à-vis a total installed capacity of 168MW.

Under the current project, the generators were overhauled and all major parts replaced during 1992-94, with the result that output capacity was restored, and generation capacity increased from the pre-project level of around 1,000GWh to around 1,200GWh/year from 1995 onwards. Two-thirds of the power generated at the Baluchung station are supplied to Yangon with the remainder being transmitted to the northern hub city of Mandalay, thus the project is evaluated as having contributed to meet the increased demand for power in both cities.

However, in 2001 the generating capacity of units 1-3 (from Phase 1) had dropped from the rated capacity of 28MW to 23-25MW, which is considered to be attributable to the functional deterioration of equipment not covered by this project. It will be necessary to promote the implementation of appropriate operation and maintenance, inclusive of the necessary rehabilitation project.