

Substation Expansion Project



The Concepcion substation

Outline of Loan Agreement

Loan Amount / Disbursed Amount	2,896 million yen / 1,219 million yen
Loan Agreement	December 1994
Terms & Conditions	Interest rate 3.0%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	April 1999

Project Outline

Additional power transformers were installed at substations within the Luzon grid, part of the transmission system in the Philippines, which encompasses metropolitan Manila, with the aim of increasing capacity and ensuring a stable supply of electricity in the target region.

Results and Evaluation

The project covered the installation of power transformers at seven key substations on Luzon Island, including metropolitan Manila, with expansion work being completed on each of the substations in succession between 1998 and 2000.

The equipment installed at the substations has been operating effectively, and the pre-project problem of overloads, especially during the evening peak period, has been resolved, which has made it possible to respond to increases in power consumption in the target region. The blackouts that were a frequent occurrence prior to project implementation no longer occur, contributing to improved living standards for local residents, and the stabilized power supply is also evaluated as having promoted industrial development and investment in contiguous regions.

As part of its efforts to improve its business operations, the executing agency, the National Power Corporation (NPC), is undertaking to privatize the substations under its jurisdiction. Moreover, NPC's transmission divisions are to be restructured as a government-owned and controlled company at the end of 2002, and the company is formulating plans to promote the entry of private sector corporations.