

India

Chandrapur Thermal Power Station Expansion Project



Chandrapur Thermal Power Station

Outline of Loan Agreement

Loan Amount / Disbursed Amount	1,420 million yen / 1,416 million yen
Loan Agreement	June 1981
Terms & Conditions	Interest rate 2.75% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	June 1986

Project Outline

In order to meet increased demand for electricity in Assam State, eastern India, an additional generator with an output capacity of 30MW was installed at the existing Chandrapur Thermal Power Station in the vicinity of the state capital, with the aim of promoting stable supplies of electricity.

Results and Evaluation

After project completion, the newly installed generator was put into commercial operation in May 1989, however, it was shutdown in November 1991 due to the breakdown of the locally procured turbine. Though rehabilitation was delayed due to an insufficient budget and a lack of spare parts, the generator finally resumed its operation in October 1994.

During 1995-96, it was necessary for the generator installed under this project to offset a decrease in output of the existing generation units caused by deterioration. The newly installed generator alone yielded 100GWh though the total output was below the target level of 145GWh. It thus can be concluded that the project has contributed to improving the demand-supply balance in the state of Assam.

However, whilst fuel prices have soared in line with deregulation on oil prices, it has become impossible for the plant to turn a profit due to government restrictions on electricity sales prices. Consequently, the operation of the plant had to cease since June 1999.

The Assam State Government and the Assam State Electricity Board, the executing agency, are continuing to petition the central government for support, and fuel price negotiations with related organizations are ongoing. In the meantime, investigations into the technical feasibility of utilizing alternative fuels to resume the operation of the plant are underway.