Nghi Son Thermal Power Plant Construction Project (III)

Background and Necessity

In recent years, the Socialist Republic of Vietnam has posted a high rate of gross domestic product growth, around 8 percent, and with that, the demand for power has risen annually by an average of 13.5 percent between 2004 and 2009, and the peak demand has grown by a factor of 1.5 from 10,500 to 15,386 megawatts. This trend has been affected by the recent global economic crisis (concurrent recession), though the mid- to long-term outcome in Vietnam is expected to be recovery with a return to high economic growth. In the Sixth National Power Development Master Plan approved in 2007, power demand is predicted to increase by approximately 17 percent annually until 2015, with the development of nearly 30,000 megawatts of power resources predicted from 2008 to 2015. However, the power development investment plan described in the master plan has largely fallen behind, bringing a new level of tension to the balance of supply and demand for power in Vietnam, and making rolling blackouts unavoidable during peak times of power demand.

Objectives and Summary

Under the Nghi Son Thermal Power Plant Construction Project (III), a new coal-fired thermal power plant with a capacity of 600 megawatts (two 300-megawatt units) and support facilities will be newly built in the Nghi Son economic zone of Thanh Hoa Province of Vietnam. The project aims to improve the power supply capacity in the north and thereby contribute to promoting economic development in the region and strengthening international competitiveness. Loan funds will be allocated to the civil works and procurement of equipment and materials necessary for the construction of the coal-fired thermal power plant (two 300-megawatt units), and to consulting services.

Executing Agency

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Planned Implementation Schedule
(i) Completion of project: February 2014 – when the facilities are put into operation
(ii) Issuing of letters of invitation for consulting services: Hired
(iii) Tender announcement for initial procurement package for international competitive bidding on project construction: Contracted