

Raichur Thermal Power Station Expansion Project



Raichur Thermal Power Station

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥23,142 million / ¥20,028 million
Loan Agreement	December 1988
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	June 1997

Project Profile

The project was to expand Raichur Thermal Power Station in Karnataka State, in order to diversify electrical sources, stabilize power supplies and alleviate the electricity shortage.

Results and Evaluation

The thermal power generation facility expanded under the project has been running above the planned availability factor since it began operation. It is operating stably, with no notable problems. Electricity sales surpass the target set at the time of the appraisal. Before the project, Karnataka state was highly reliant on hydroelectric power, which gave an unstable supply of electricity. In 1992~1993, the state was 77% reliant on hydroelectric power, but by 2000 ~ 2001 the figure had fallen to 54%, as the thermal power generation facility expanded under the project helped to correct the power imbalance. The stable power supply helped Karnataka state meet its base load requirement. The project also helped to relieve the state's ongoing electricity shortage. The results of environmental monitoring satisfy Indian environmental standards, and the project is not causing any notable environmental problems.

There is no notable problem with the maintenance system for the power station as a whole and the expanded areas, but the financial position of the Karnataka Power Corporation and the restructuring of the state's electric power sector will have to be watched carefully in future.