

Hubei Ezhou Thermal Power Plant Project (I)(II)(III)



Hubei Ez hou Thermal Power Plant

Outline of Loan Agreement

Loan Amount / Disbursed Amount	31,892 million yen / 31,724 million yen
Loan Agreement	October 1992 - January 1995
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	October 1997 - February 2001

Project Outline

The project covered construction of a thermal power plant (2 × 300MW generators) to be fueled by domestic coal resources in Ezhou, Hubei Province, central China, with the aim of alleviating severe power shortages in the province and improving the reliability of power supplies.

Results and Evaluation

At the time of project appraisal in the 1980s, economic development in Hubei Province was conspicuous, primarily in the metal and chemical industries, and the development of power sources that would provide stable supplies of power had become a priority issue.

The power plant was constructed between 1994-99 and commenced operations in April 1999, however, between 2000-2001 the average operating ratio was 40%, which is below the targeted level of 60%. This is attributed to the fact that progress in other plans to construct a hydroelectric plant generated a power supply surplus from 1996 onwards, and the impact of the Asian currency crisis, which caused power demand to be lower than forecasted in Hubei Province. However, economic conditions in the province have been showing signs of improvement since 2000 and demand for power is forecast to recover. In addition, plans to construct a new hydroelectric power plant have been shelved for the time being, thus the power supply surplus in the province is predicted to decrease year-on-year, which will lead to the plant's role becoming increasingly important.

The plant is conforming to environmental standards for air and water quality, and operation and maintenance are being appropriately conducted.