

Indonesia

Equipment Supply for Scattered Diesel Power Plants Project (FY1984)



A diesel generator

Outline of Loan Agreement

Loan Amount / Disbursed Amount	9,000 million yen / 8,359 million yen
Loan Agreement	February 1985
Terms & Conditions	Interest rate 3.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 1992

Project Outline

Diesel power plants were to be constructed in hub regional cities in Indonesia outside the islands of Java and Bali, with the aim of improving supplies of electricity.

Results and Evaluation

The project covered the installation of 29 diesel generators (total installed capacity: 99MW) in 20 regional cities outside Java and Bali. There are no large-scale power plants or transmission networks in these regions and in establishing independent power systems in each of these cities, this project is evaluated as having contributed to improving the supply of electricity to contiguous regions that were insufficiently electrified and to small enterprises such as food crop processing.

Project evaluation confirmed the current status of 28 of the diesel power plants (excluding 1 in Dili, East Timor); manufacture/installation was conducted between 1987-92, thus more than a decade has already elapsed. In consequence, the total effective capacity of the 20 units that continue to be operational is approximately 52MW. Five of the remaining 8 units have been shut down due to breakdown, etc.; the other 3 have been dismantled, but the components are being effectively utilized for other power plants.

Regarding the operation and maintenance of the plants, due to the deteriorating financial status of Perusahaan Listrik Negara (PLN), periodic overhauls have not been conducted, and a lack of spare parts means that repairs to broken down generators are highly time-consuming. PLN must thus undertake to improve its administrative operations, including appropriate increases in electricity tariffs.