



Coc San HPP in Vietnam soon to supply power to 130,000 people.

The new Coc San power plant in Vietnam's Lao Cai Province, a run-of-river hydropower facility now supplying almost 30MW of power to the regional offtaker, will launch on Wednesday 8 June 2016 at a ceremony at the project site.

The US \$50m plant is backed by Vietnamese and foreign private investment and InfraCo Asia, a company funded by the governments of the UK, Switzerland and Australia to help provide infrastructure financing. InfraCo Asia is a company of the Private Infrastructure Development Group (PIDG).



The Coc San project represents the first foreign direct investment in hydropower in the mountainous Northern region of Vietnam. Coc San will supply clean, renewable energy to enable 130,000 people access to a more reliable, affordable power supply, unlocking social, environmental and economic benefits:

- Improved power supplies will allow an expansion of local industry – including iron mining, copper industries and

fertilizer from apatite mines

- 250 temporary jobs were created during construction and there will be 35 permanent jobs at the plant on an ongoing basis
 - Carbon emissions will reduce by 76,000 tonnes per annum and reliance on power imported from China will reduce
- Environmental studies carried out to World Bank standards ensured project impact has been minimal, with little land lost to surrounding communities and no displacement of people.

The plant will supply Vietnam's fast-growing electricity demand, currently increasing by 15% year on year and creating pressure to increase capacity of generation, transmission and distribution. Hydropower currently accounts for about 44% of energy generated, followed by oil, gas and thermal at 34%, and coal at 19%.

The Government of Vietnam is committed to developing generation of renewable energy and establishing a competitive electricity market. "We will benefit due to increased electricity reliability, which will support Industrial Zone developments and attract investments," the former Chairman of the Lao Cai Provincial Peoples Committee, Mr Doan Van Huong, said. InfraCo Asia's support for the new plant Work to develop the Coc San Hydropower Project in the region's terraced terrain had started in 2011, but stalled when previous investors expended their initial capital and the project was unsuccessful in securing long-term loan financing

InfraCo Asia assessed that plans for the plant were still viable and —working in close partnership with the Lao Cai Provincial People's Committee—provided donor-governmentbacked development funding of US\$7.54m. This enabled the financing and completion of a project worth a total of US\$49.9m. A portion of total project funds mobilised was supplied by fellow PIDG-facilities: the Technical Assistance Facility (US\$5m as viability gap funding) and InfraCo Asia Investments (US\$10m bridge funding).

All PIDG funding was provided through a special purpose investment vehicle, Viet Hydro Pte. Ltd. "By providing early stage development capital and expertise, InfraCo Asia mitigates risk and attracts private sector investment.

We're very proud to have taken a project that had run into distress to a point where it is commercially viable and now successful in operation, supplying electricity to businesses and households," InfraCo Asia CEO, Allard Nooy, said. Ids Groenhout, General Director of Project owner and operator, Lao Cai Renewable Energy (LCRE), said the project is a text-book example of InfraCo Asia's impact. "This sound process and approach has been recognised by project lender, the Saigon Hanoi Bank." Ids said.

InfraCo Asia was the majority shareholder during the Coc San project's development phase. Original private sector project sponsor Colben Energy and Vietnamese backers Vietnam Infrastructure Development and Finance Investment JSC (VIDFI) and HVD Construction and Investment Consultant JSC (HVD) also invested equity.

In February 2016 Nexif Energy, supported by private equity investors Denham Capital, acquired a stake in the project, allowing InfraCo Asia to step back. InfraCo Asia Development Pte Ltd (InfraCo Asia) is a donor government-backed commercially-managed infrastructure development and investment company. It aims to stimulate greater private sector investment in infrastructure in South and South-East Asia. It funds early stage, high-risk infrastructure development activities by taking an equity stake in projects. It focuses on socially responsible and commercially viable, sustainable infrastructure projects. InfraCo Asia receives funding from the governments of the UK, Switzerland and Australia.

InfraCo Asia is a company of the donor government-backed Private Infrastructure Development Group (PIDG). PIDG's mission is to mobilise private sector investment in infrastructure to help boost economic growth and combat poverty.

◆ Coc San, Denham Capital, hydro, hydro Asia, Infraco Asia, Lao Cai Renewable Energy, Nexif Energy, Private Infrastructure Development Group, Viet Hydro, Viet Nam



*Coc San HPP in Vietnam soon to supply power to 130,000 people. added by **Voice of Renewables** on June 6, 2016*

View all posts by Voice of Renewables →
