



Thailand: Subyai Wind Power Project

Project Name	Subyai Wind Power Project		
Project Number	48233-001		
Borrower/Company	CHAIYAPHUM WIND CTF CHAIYAPHUM WIND FARM CO. LTD.		
Country	Thailand		
Location			
Approval Number	7435/8289		
Type or Modality of Assistance	7435	Loan	USD 30.00 million Committed
	7435	Loan	THB 1,806.76 million Committed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Energy - Renewable energy generation - wind		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Gaza, Anne Kathryn C.		
Project Sponsor(s)	ELECTRICITY GENERATING PUBLIC COMPANY LIMITED		
Description	The Subyai Wind Power Project entails the construction of a 90MW wind power plant in Subyai district, Chaiyaphum province. The Project will be implemented under a 5-year automatically-renewable Power Purchase Agreement (PPA) with the Electricity Generating Authority of Thailand (EGAT) under the Small Power Producers (SPP) program. The Project is an extension of the very small 7.5 MW Theppana Wind Power Project, which was financed by the ADB in 2013 to provide a financing structure that can be easily replicated for the much larger 90MW Subyai Wind Power Project.		
Objectives and Scope			

Linkage to Country/Regional Strategy	The proposed investment is a loan to Chaiyaphum Wind Farm Company for the Subyai Wind Power Project in Thailand. The project will construct and operate an 81-megawatt power plant comprising 32 wind turbines. The project is consistent with the country partnership strategy, 2013-2016 of the Asian Development Bank (ADB) for Thailand. The strategy has three core strategic areas: infrastructure, environmental sustainability, and finance sector development. ^a The strategy recognizes that overall spending for investment and public infrastructure relative to gross domestic product in 2011 may not be sufficient to address the infrastructure constraints in areas of particular importance such as the energy sector. It further enumerates the following energy infrastructure challenges: increasing power generation capacity, accelerating development of renewable energy generation, and strengthening regional energy markets. The government recognizes that it needs to do more to create an environmentally sustainable and low-carbon economy. Toward this goal, the Eleventh National Economic and Social Development Plan, 2012-2016 includes priorities for inclusive growth, private sector development, and environmentally sustainable development. Its road map includes the promotion of green growth by increasing energy efficiency, supporting clean energy sources, and expanding forest coverage. Thailand's Renewable and Alternative Energy Development Plan, 2012-2021, approved by the government in December 2011, emphasizes wind power development and sets a target of generating 25% of primary energy from renewable sources by 2021, thereby avoiding 76 million tons of carbon emissions annually. ^b The project supports the government's long-term objective under the Thailand Clean Technology Fund Investment Plan to utilize ADB Clean Technology Fund resources to support renewable energy projects in the private sector. The project is expected to contribute to Thailand's initiatives to boost energy security, and be a factor in accelerating and expanding private sector investment in clean energy infrastructure.
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Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement	<p>Safeguard Category: C</p> <p>1. Key impacts. The project will require 6.88 hectares for the operation of the wind power plant. A total of 39 farmer beneficiaries who are allocated land by the Agriculture Land Reform Office have consented to the use of their land for the project. A long-term lease agreement covering the entire land requirement has been entered into with Agriculture Land Reform Office with the consent of the 39 farmers. The impact on the farmers affected by the construction of wind turbines and substation in the power plant will be minimal, as only 0.16 hectares would be taken from each of their total landholding. The range of impact is 1% - 13% of their total landholding, with most falling below 6% and only 1 with 13%.</p> <p>2. Strategy to address the impacts. The consideration for the lease agreement is based on a rate determined by the Land Reform Committee, while the annual rental fee provided to the 39 farmers was determined after adequate consultation and negotiation, and based on a value greater than the revenue produced from 0.16 hectares of cassava plantation per year. As a show of good faith, the company has been providing financial assistance to these farmers since 2012, and notified them of the starting date of construction to give them ample time to harvest their crops. The company hired a local officer to communicate and coordinate with farmers on the agreed land arrangements. Interviews with farmers confirmed no issues with respect to the land agreement. A grievance mechanism was established to address concerns about the construction and operation of the wind farm.</p> <p>3. Plan or other Actions. No action</p>
Indigenous Peoples	<p>Safeguard Category: C</p> <p>1. Key impacts. The project is located in Chaiyaphum Province, which is 250 kilometers from Bangkok. Although it was founded over 2 centuries ago during the early Rattanakosin period by a group of Vientiane people, most of the people in the project site identify themselves as Thai. The project area and vicinity is not known to be settled, claimed, or owned by any ethnic and/or indigenous peoples group. With no indigenous peoples at the project site, the project is category C for indigenous peoples.</p> <p>Is broad community support triggered? No</p> <p>2. Strategy to address the impacts. Not applicable.</p> <p>3. Plan or other actions. No action</p>
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	18 Jul 2014
Due Diligence	

Credit Committee Meeting	30 Oct 2014
Approval	04 Dec 2014
Last PDS Update	11 Jan 2016

Project Page	https://www.adb.org/projects/48233-001/main
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