ADB ASIAN DEVELOPMENT BANK

Mongolia: Promotion of the Northeast Asia Power System Interconnection

Project Name	Promotion of the Northeast Asia Power System Interconnection
Project Number	54021-001
Country	Mongolia
Project Status	Proposed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Energy - Electricity transmission and distribution - Renewable energy generation - solar - Renewable energy generation - wind
Gender Equity and Mainstreaming	No gender elements
Description	The knowledge and support technical assistance (TA) will support necessary analysis for the first step in realizing a Northeast Asia power system interconnection (NAPSI). It will build on a previous TA that developed an overall strategy to realize NAPSI and demonstrated its value. The strategy identified several steps to realizing NAPSI, the first of which has three components: (i) development of 5 gigawatts (GW) of solar and wind generating capacity in the South Gobi region of Mongolia, (ii) construction of a transmission interconnection between South Gobi and northern People's Republic of China (PRC), and (iii) construction of an undersea transmission interconnection between eastern PRC and the Republic of Korea (ROK). This TA will study the technical feasibility of this first stage, develop commercial structuring and sales arrangements considering local regulatory conditions, and quantify benefits that will accrue to each country. The TA is included in the country operations business plan for Mongolia, 2020-2021.
Project Rationale and Linkage to Country/Regional Strategy	The Northeast Asia region accounts for 20% of global gross domestic product (GDP) but is responsible for approximately 40% of global greenhouse gas (GHG) emissions. Coal, natural gas, and oil supplied 70% of the region's electricity generation in 2018. Countries in the region are diversifying their energy mixes to replace fossil fuel generation with solar, wind, and hydropower generation, which contributes to improved air quality and reduced GHG emissions. The PRC is a global leader in renewable energy, accounting more than a third of global installed wind and solar electric generating capacity in 2019. However, many other countries in the region face challenges to further expand their use of renewable power due to (i) long distances between high-quality renewable energy resources and load centers, (ii) grid systems that are not sufficiently robust and flexible for integrating higher levels of variable renewable power, and (iii) land constraints that prevent domestic renewable expansion at levels required to reach climate mitigation goals.
Impact	Mongolia's objective to become an energy exporting country with efficient and environmentally friendly technology advanced
Outcome	Investment readiness of NAPSI Step 1 infrastructure components increased
Outputs	1. NAPSI Step 1 Plan developed 2. Awareness of the potential scope and benefits of NAPSI among regional parties increased
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible ADB Officer	Cowlin, Shannon C.
Responsible ADB Department	East Asia Department
Responsible ADB Division	EASI
Executing Agencies	Ministry of Energy Government Building 14, Khan-Uul District Chinggis Avenue, 3-r khoroo Ulaanbaatar, 17060 Mongolia

Timetable

Concept Clearance	16 Dec 2020
Fact Finding	18 Mar 2021 to 22 Mar 2021
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	16 Dec 2020

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