



Project Summary Information

Date of Document Preparation: December 16, 2021	
Project Name	Hin Kong 1,400MW Gas-fired Independent Power Producer Project
Document Code	PD000430-PSI
Country	Kingdom of Thailand
Sector/Subsector	Energy / Conventional Energy Generation
Status of Financing	Under Preparation
Project Description	<p>In October 2021, the Government of Thailand submitted the Long-term Low Greenhouse Gas Emission Development Strategy in line with Paris Agreement. The country's National Determined Contribution Roadmap states two climate change mitigation measures under energy generation, namely 1) renewable energy generation and 2) increase power generation efficiency.</p> <p>Gas-fired generation plays a significant role in the transition as the country fades out its coal-fired fleet and integrates more renewable energy in its grid. As more renewable energy is integrated to the grid, gas-fired generation will continue to provide the necessary level of technical flexibility to address the intermittent nature of renewable energy. The turbines to be installed under the Project are expected to achieve a net efficiency of 62% and are considered as best available technique (BAT).</p> <p>The Project involves the development, construction, and operation of a 1,400 MW gas-fired power plant in the district of Mueang Ratchaburi in Ratchaburi, Thailand. The Project consists of two units with contracted capacity of 700 MW each. The Project is located at the premises of the 700 MW Tri Energy Gas-powered Plant which was decommissioned in June 2020.</p> <p>Natural gas will be transported to the Project through a new 33-kilometer long, 24-inch pipeline, which connects the Project to the 30-inch transmission pipeline owned by PTT Public Company Limited (PTT) with a new tap point. Electricity Generating Authority of Thailand (EGAT) is responsible for constructing the Transmission System Upgrades (TSU) to connect the Project to EGAT's 230 kV Ratchaburi 2 Substation. The 7-kilometer transmission line will use the existing towers, but the conductors will have to be replaced.</p>

	<p>Hin Kong Power Company Limited has entered into a 25-year power purchase agreement (PPA) with the EGAT. The commercial operation dates for Units 1 and 2 are targeted in March 2024 and January 2025, respectively.</p> <p>The proposed financing involves an AIIB A loan of USD100 million for AIIB's own account and B loan participation/parallel loan of up to USD289 million.</p>
Objective	The objective is to increase the power generation capacity from a reliable energy source to meet Thailand's growing electricity demand.
Expected Results	The Project results are measured by (i) newly constructed power generation capacity in MW; (ii) electricity generated from the newly constructed power plant in GWh per year; and (iii) private capital mobilized in USD.
Environmental and Social Category	A
Environmental and Social (ES) Information	<p>Applicable Policy. AIIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List, will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS2 (Involuntary Resettlement) are applicable. ESS1 is applicable since (i) the Project will have significant, adverse environmental risks and impacts during construction and operation phases. ESS2 is applicable given that the construction of the gas pipeline, including block valve stations and bypass roads, requires limited acquisition of private land and may involve livelihood impacts to encroachers on the Government owned land used for the right of way (ROW).</p> <p>Environment. The potential environmental impacts of the Project include: (i) the use, transport and storage of natural gas and its attendant safety risks; (ii) construction related impacts such as noise, increased dust levels, disposal of liquid and solid wastes generated by the construction activities and by the workers' camps, road safety due to increased traffic for transportation of heavy equipment and construction materials; (iii) OHS (Occupational Health and Safety) risks and (iv) potential loss of vegetation because of land clearance. The potential risks and impacts during operational phase include impacts related to release of cooling water discharge, emission of greenhouse gases, and accidental release of natural gas. The ESIA has assessed these impacts and includes an Environmental and Social Management Plan (ESMP) to mitigate and monitor them. An emergency preparedness plan is included in the ESMP.</p> <p>Social. A land lease agreement was signed for the Project with the Rachaburi Power Plant Co., Ltd, which is the landowner and was the operator of the Tri Energy Power Plant, which is being dismantled for construction of the new</p>

	<p>proposed Project. The entire area of the Project is 188-3-18 Rai (a Thai land measurement unit equivalent to approximately 302,073 sq.m) and no additional land is required for the plant. The raw water pipeline and wastewater pipeline will run along EGAT and RID's (Royal Irrigation Department) right of ways (ROWs). The majority (99.8%) of the gas pipeline will be installed within existing ROWs of RID, Department of Highways (DOH), Department of Rural Roads (DRR) and EGAT. There may be possible encroachment of Government-owned ROWs for cultivation purposes. To mitigate this, in addition to the ESMP, a Livelihood Restoration Plan (LRP) will be prepared for the gas pipeline.</p> <p>Project Grievance Redress Mechanism (GRM). A grievance redress mechanism has been established for resolution of complaints received from the Project affected persons during construction and operation phases of the power plant and the gas pipeline. The GRM is designed to be transparent, gender responsive, culturally appropriate, and readily accessible to all segments of society. A second GRM will be established to provide access to Project workers.</p> <p>Consultations and information disclosure. Public consultations have been carried out during the preparation of ESIA's, but local COVID-19 restrictions have limited the undertaking of supplemental consultations. The Sponsor has a cadre of community relations officers, who will continue their communications with the affected people and other stakeholders to explain the Project including the construction plan, construction methods and take measures to provide information during the construction period. All environment and social instruments, including the ESIA's, ESMPs and Executive Summaries in Thai, will be disclosed on Sponsor's (www.hinkongpower.com) and AIB's websites. Hard copies will also be made available in the Project area.</p>
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AiIB Investment	Non-sovereign senior secured loan of USD100 million	
Borrower	Hin Kong Power Company Limited	
Estimated date of first disbursement	Late 2023	
Contact Points:	AiIB	Hin Kong Power Company Limited
Name	Jonathan Poon (Mr)	Sahachthorn Putthong (Mr)
Title	Investment Officer – Private Sector	Managing Director
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Date of Concept Review Decision	July 2020	

Date of Final Review Decision	December 2021
Estimated Date of Financing Approval	February 2022

Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html.</p>
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