Early Warning System

IFC-33853

Asahan 1 Hydro Electric Power Plant

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Quick Facts

Countries	Indonesia
Specific Location	North Sumatra
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2014-04-30
Borrower	BAJRADAYA SENTRANUSA, PT
Sectors	Hydropower
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 7.50 million
Loan Amount (USD)	$ 75.00 million
Project Cost (USD)	$ 285.00 million

Project Description

According to IFC the project will support BDSN's operational 180 MW Asahan-1 hydropower plant (HPP) in North Sumatra, Indonesia. The plant has been fully operational since January 2011 and sells electricity to PLN pursuant to a long-term PPA expiring on Dec 31, 2040 on a take-or-pay basis of 1,175 GWh of electricity per year. Asahan-1 is developed by the Independent Power Producer (IPP) BDSN, which is owned by Fareast Green Energy and PJB, a subsidiary of PLN (the national power company), respectively. The HPP located 25 km downstream of Lake Toba on the Asahan River in North Sumatra, Indonesia, approximately 130 km southeast of the city of Medan. Land acquisition and construction of the plant was initiated in 1997, but was stalled a year later following Indonesia's financial crisis. Construction restarted in 2006/7 and the HPP was finally commissioned in 2010, having been constructed and part-financed by China Haudian Engineering Corporation (CHEC), which also acted as the EPC contractor and subsequently managed by CHD Power Plant Operation Co. Ltd (CHDOC) as the O&M contractor until December 31, 2013, whereupon it was replaced by PJB Services.Asahan-1 is a run-of-river scheme developed to utilize the hydraulic head between the Regulating Dam and Siguragura Dam of the pre-existing Asahan-2 project, a three dam cascade developed between 1975-1982 to support the PT Inalum smelter, located on the North Sumatra coastline near Medan.The Asahan-2 scheme, which IFC is not supporting, comprises a 39 m Regulating Dam, a 47 m, 286 MW Siguragura Dam and HPP and a 73 m, 317 MW Tangga Dam and HPP. The scheme relies on releases from Lake Toba, the largest volcanic lake in the world, as the Asahan River is the primary drainage of this lake to the Straits of Malacca. The Asahan Authority, comprised of a number of state entities, was established to ensure smooth operation of the Asahan-2 project, including the Inalum smelter (originally developed and majority owned by several prominent Japanese companies, now owned and operated by the Indonesian Government).The Asahan-1 HPP comprises of a 6.5 km tunnel, 70 m surge shaft, 275 m penstock, powerhouse with two 90 MW Francis turbines, accommodation camp and switchyard (the latter handed over to PLN). The intake is located in the pre-existing Regulating Dam which drains water directly from Lake Toba, and the powerhouse is located at the top end of the pre-existing Siguragura Dam, into which the tailrace empties. The project is linked to the grid by an 8 km transmission line, though BDSN only owns and maintains the three transmission towers that link the transformer at the powerhouse with the switchyard.

Investment Description

- International Finance Corporation (IFC)

Equity US$ 7.5 million

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	PT Bajradaya Sentranusa (BDSN)	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/