

Signing of Japanese ODA Loan Agreement with India

Supporting a stable power supply in advance of an expected large increase in power demand in the eastern Indian state of Odisha

On May 15, the Japan International Cooperation Agency (JICA) signed an ODA loan agreement with the Government of India in the capital of New Delhi to provide up to 21,787 million yen for the Odisha Transmission System Improvement Project.

In India's Twelfth Five Year Plan for national development (April 2012 to March 2017), the government established, as policy targets, institutional and system reform in the power sector, the development of electrical power resources, boosting the power transmission and distribution network and rural electrification. With the strong economic growth in recent years, the power infrastructure has not been able to keep pace with the expanding demand for power. There is a chronic inadequacy of power, with a gap of approximately 3.6 percent between the supply and demand for power (approximately 4.7 percent at the peak time) in fiscal year 2014, and both planned and unplanned power outages have become major issues. To address these challenges, appropriate investment is essential to strengthen the power generation capacity and stabilize the power transmission system.

With a population of approximately 42 million people, Odisha in eastern India is one of the richest Indian states in mineral resources, having approximately 17% of the country's total mineral reserves, and has extensive forests that yield teak, bamboo and other natural resources. Added-value industries based on those resources have developed, rapidly advancing industrialization in recent years, and a substantial increase in the power demand is expected going forward. Given these circumstances, the Government of Odisha State plans to increase the power generation capacity from 5,511 megawatts in fiscal year 2014 to 6,505 megawatts in fiscal year 2014 under the Twelfth Five Year Plan and to 10,932 megawatts by fiscal year 2021 under the Thirteenth Five Year Plan. With this increase in power generation, developing the power transmission network has become an important challenge.



Signing ceremony

Under the Odisha Transmission System Improvement Project, transmission lines (extending around 971 kilometers) and substations (18 locations) will be constructed to address the situation in Odisha, stabilizing the power system, improving the power transmission efficiency and stabilizing the power supply. Installation of low-loss conductors and outdoor GIS substations is also planned for some of the transmission lines and substations as the first time to use those technologies in Odisha. The loan funds will be allocated to procuring equipment, civil works, basic design work, bidding assistance, construction assistance, and consulting services for transferring maintenance and operation technologies.

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Odisha Transmission System Improvement Project	21,787	0.80	0.01	20	6	General untied

2. Executing Agency

Odisha Power Transmission Corporation Limited
 Address: Janpath, Bhubaneswar – 751 022, Odisha, India
 Phone: +91-674-2540098, fax: +91-674-2541904

3. Planned Implementation Schedule

- (1) Completion of project: January 2020 – when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): July 2015
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
 Procurement package title: Construction of Transmission Lines and Substations
 Release date: October 2016