



Energy to Support Cambodia's Manufacturing Base

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Objective of the presentation

There are 4 important Goals to be achieved to provide energy to support Cambodia's Manufacturing Base :

1-Adequacy of supply

2-Access to the supply

3-Reliability and quality of supply

4-Reasonable tariff for the supply

In achieving these goals, a number of strategies and actions have been adopted by RGC. This presentation will review the key issues of existing supply, the present actions and program of RGC to achieve the above Goals and the policy recommendation on these actions.

Key Issues

Issues on Adequate Supply:

- **Present Generation Capacity is not adequate**
- **Generation depends on imported fuels leading to uncertainty of supply and high cost**
- **Cambodia has large hydro potential to be utilized but only Hydro is not the right solution due to uncertain rains and low water availability during dry season**
- **Non-availability of indigenous fuel like coal, gas**
- **Development of a Grid to transmit electricity from point of generation to sub-stations at load centers**

Issues on Enhancing access and Reliability:

- **Development of transmission, sub-transmission and distribution facilities to make electricity reach the point of consumption and give reliable supply**

Key Issues

Issues on Reasonable Tariff of Supply:

- Present High Tariff due to high cost of supply
- Requirement to develop Cheaper Sources
- Economy of Scale
- Efficiency of operations - requirement of improved sector governance, market opening and competition, independent regulation and market-based pricing

Economic /Financial Issues:

- Large Funds required to develop projects
 - RGC arranges funds from WB, ADB and other financial and donor agencies as loan/ grants and provides to EDC as loan
 - RGC encourages private sector participation in development of the projects
- Funding remains Inadequate

Action Plan

Development of Infrastructures:

- **Potential Generation**
- **Transmission, sub-transmission and distribution**
- **Control Center to improve efficiency of operation of the system**

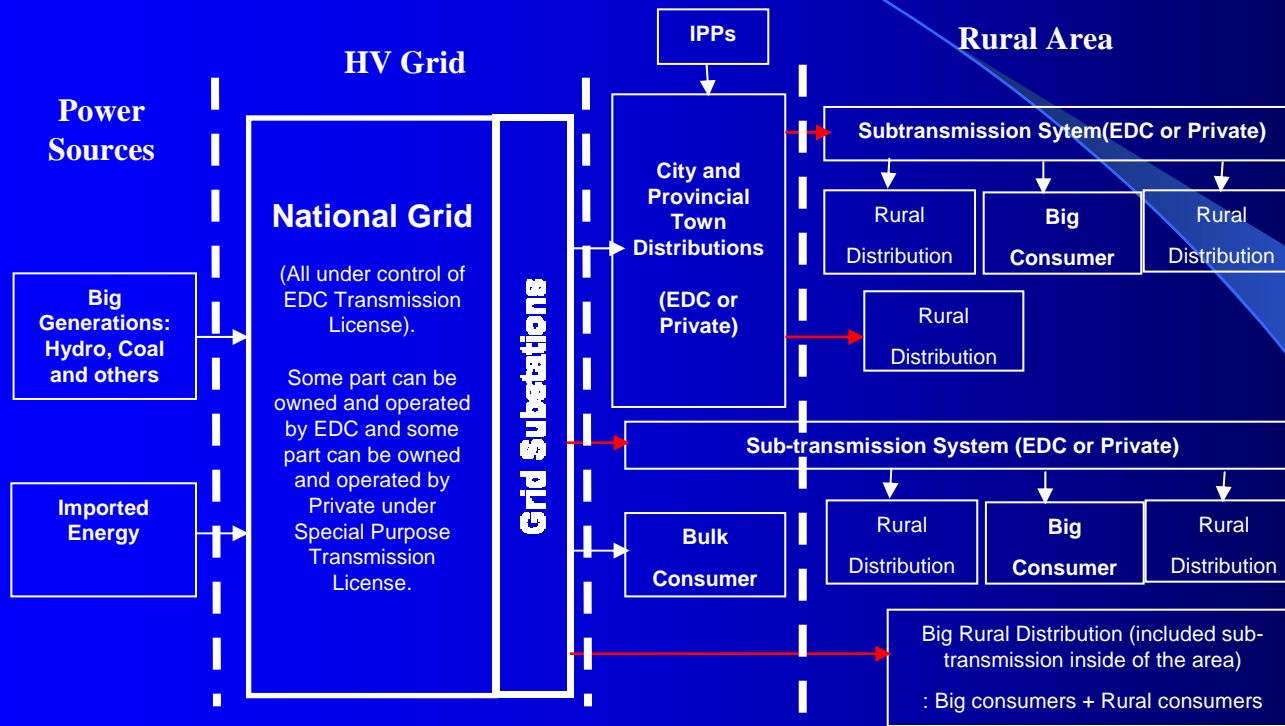
Improvement of Sector Management:

- **industry structure which fosters competition;**
- **incentive mechanisms to promote private sector participation; and**
- **market-based pricing to reduce impact on the national budget;**

Areas access-able to Grid Supply Plan 2009-2018



Structure of Supply



Conclusion

- **Available capacity will increase substantially in the areas supplied by Grid Substation**
- **Major Industries and SEZs within 10 km of substation may get supply through direct feeder at comparatively less cost**
- **Industries availing supply from the sub-transmission or distribution system will also have to pay network charges**
- **Industries with own diesel generation may avail Grid Supply at comparatively less cost**

Conclusion (continue)

- **EAC plans to adapt tariff policy to fix the tariff based on Cost of electricity plus network fees for Industrial and Commercial consumers in provinces also as is being implemented for Phnom Penh. This will make the tariff fair and reasonable.**

Thank You