

“Thoong Cot 2 Hydropower Project CPA” Non-technical Description

The programme activity (hereinafter referred to as “CPA”), which is owned by Eternal Light Co., Ltd. involves the construction of the Thoong Cot 2 Hydropower plant, which is located on Quay Son River in Chi Vien commune, Trung Khanh district, Cao Bang province of Viet Nam. The CPA’s installed capacity and estimated annual gross power generation is 3.5 MW and 14,710 MWh respectively.

The CPA will generate renewable power, which will displace part of the electricity otherwise supplied by fossil fuel fired power plants. Thus, GHG emission reductions are achieved via this CPA.

The project’s contributions to the sustainable development of the local area as well as the host country are as follows:

General contributions towards national sustainable development:

- In recent years, Viet Nam, especially the North of Viet Nam, has suffered a critical electricity shortage as a consequence from rapidly increasing demand and insufficient supply, thereby imposing negative impacts on economic growth as well as on daily lives of people. This CPA will be a contribution towards closing the demand and supply gap. By exporting electricity directly to the National grid, it will help to reduce electricity losses across the national grid and to lessen the risks of cascading national grid collapse due to overload.
- Reducing reliance on exhaustible fossil fuel based power sources and also reducing the import of fuels for the purpose of power generation.
- Modern and highly efficient turbines and generators are being used in the project and the power transmission will be at high voltage to ensure low losses. The CPA will contribute to accelerate the deployment of renewable energy technologies in Viet Nam.

Contributions towards local sustainable development:

a) Economic well-being

- Once implemented, this CPA will increase the industrial share in the economic structure of Cao Bang province – a poor mountainous province in Viet Nam. This CPA will pay annual tax to the local budget.
- By supplying a stable and high electric output, this CPA will facilitate the industrialization process of the province and lever the performance of traditional trade villages as well as tourism industry and services inside the province.

b) Social well-being

- This CPA will contribute directly to improve the low-quality infrastructure systems of Chi Vien commune, where only minority ethnics settle. The commune is categorized as a mountainous commune with thin population, less developed and autarky agricultural economy. The project will upgrade the road that will be integrated into the traffic system of the commune.
- The communication system and clean water treatment serving for workers of the project during both construction and operation phases will be shared with local people. Besides, new jobs will be created during construction and operation phases. The CPA could result in the employment of the local people for the construction and operation of the hydropower plant later on.

In conclusion the CPA will contribute positively towards sustainable development and be consistent with the energy policies set by the Government of Vietnam. Therefore, it satisfies the sustainable development criteria for CDM projects set by the DNA of Vietnam.