

Private-sector Energy Development Program

JAMAICA

SECTOR: Energy

NAME OF PROJECT: Private-sector Energy Development Program
(738/OC-JA)

TOTAL COST: \$180.6 million

FINANCING:

IDB	\$ 57.5 million
LOCAL	\$ 15.0 million
OTHER	\$108.1 million, of which the World Bank will contribute \$60.0 million, the private sector will provide \$39.1 million, and other sources \$9.0 million.

DATE OF APPROVAL: January 6, 1993

GENERAL DESCRIPTION: The main objectives of the program are to: (a) supply the urgently needed power generation capacity and the related transmission lines; (b) establish an environment, including the legal and regulatory framework, likely to attract private investors to the power sector, and facilitate long-term financing for the private sector; and (c) support the country's privatization program for the power sector. The program will finance: (a) a 30-MW gas turbine unit for the Jamaica Public Service Company (JPSCo.) needed immediately to avoid a shortage of power; (b) an energy fund for financing a 60-MW capacity plant and a 30-MW gas turbine unit; (c) transmission lines and substations for the JPSCo.; (d) consultant services for: completing the designs and preparing the calls for bids for the generation and transmission works and

helping the Jamaican Government to operate the private-sector energy fund and to promote, evaluate, estimate, negotiate and supervise the private projects; and (e) preparation and application of a regulatory framework for the power sector, as well as a privatization strategy for the JPSCo.

- CIVIL WORKS:** International public bidding will be used to hire the private firms interested in the construction and efficient operation of the generation plants. The initial stage will include installation of a 60 MW net capacity low-speed diesel (LSD) generation plant which will go into operation early in 1995 and will be installed through the BOO (build, operate and own) system ; a second stage will consist of the installation of a 30 MW gas turbine unit which will go into operation early in 1996. The transmission and generation component includes: construction of approximately 8 km of a new 69 kV transmission line; construction of approximately 11 km of a new 60 Kv transmission line; reconstruction of approximately 9 km of the existing transmission link between Rockfort Generation Station and the existing Cane River Substation; and modification of the existing substations to accommodate the new line.
- GOODS AND EQUIPMENT:** The goods and equipment needed for installation of the 60 MW LSD plant, as well as those for installation of the 30 MW gas turbine unit, will be acquired with the resources of the IDB loan through international public bidding.
- SERVICES:** The services of specialized individual consultants or consulting firms will be hired for the works connected with the regulatory framework for the power sector and the privatization of the executing agency. These consultants will be required to conduct specific studies and recommend an institutional structure for

the privately owned power sector, and for attracting foreign or local private capital and increasing local ownership. Consultant services will also be hired to finalize the technical designs of the transmission and generation component and collaborate in its execution.

EXECUTING AGENCY: Jamaica Public Service Company (JPSCo.)

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