

Electric Power Transmission and Support for Restructuring

PERU

SECTOR: Energy

PROJECT NAME: Program of Electric Power Transmission and Support for Restructuring the Electricity Subsector (790/OC-PE)

TOTAL COST: \$75.0 million

FINANCING:

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| IDB | \$45.0 million |
| LOCAL | \$ 7.5 million |
| OTHER | \$22.5 million (Eximbank of Japan) |

DATE OF APPROVAL: November 24, 1993

GENERAL DESCRIPTION: The program will contribute to Peru's economic and social development through: (a) an improvement in the reliability and efficiency of the supply of electrical energy in the country's two main electricity systems, the Central-Northern Interconnected System (SICN) and the Southern Interconnected System (SIS); (b) management, registration and processing of power and energy transfers among, and through, the prospective autonomous companies in the electricity sector; (c) institutional strengthening for the electricity transmission companies and agencies in the electricity subsector; and (d) support for the privatization of the electricity subsector currently underway by the government.

The program comprises two components. The transmission component includes: (a) improvements in a number of the main SICN substations; (b) construction of the Tintaya-Socabaya transmission system, which includes building a 138-kV transmission line approximately 200 km in length, expansion of the Tintaya and Socabaya substations, as well as establishment of a communications system among the Quencoro, Tintaya and

Socabaya substations; and (c) installation of the transmission control center in the SICN. The technical assistance component includes: (a) studies for the structuring and valuation of the business units of the regional enterprises with a view to their privatization; (b) institutional strengthening of the new transmission companies; (c) studies for reducing technical losses in the 220-kV coastal transmission system; and (d) support to the Ministry of Energy and Mines in planning the electricity system.

CIVIL WORKS:

The main works to be carried out under the program include: substation expansion and compensation, including improvements in nine of the SICN's fifteen main substations, expansion of the installed transformer capacity in seven of them, installation of reactive power compensation in five of them and placing power and energy meters in several substations; (b) Tintaya-Socabaya transmission system, which includes the aforementioned transmission line, expansion of the yards at the two substations, the communications system between the substations and the installation of power and energy meters; and (c) works at the SICN Transmission Control Center.

GOODS AND EQUIPMENT:

The following will be procured through international public bidding process: transformers and auxiliary equipment (procurement notice in February of 1994); static reactive power compensators and reactors (notice in February of 1994); machinery, equipment and other goods for substation expansion, assembly of the Tintaya-Socabaya transmission system, the transmission control center, the communications system, and the remaining works associated with the program (to be procured starting in March of 1994).

CONSULTANTS:

Specialized consulting services will be engaged to: support the transmission companies in business management, reduction of transmission losses and environmental aspects; carry out technical studies for the structuring and valuation of the business units of the regional enterprises with a view to their privatization.

EXECUTING AGENCY:

Ministry of Energy and Mines

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