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Nam Ngum 5 Dam Powers Up

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The Nam Ngum 5 dam in Luang Prabang province officially began generating electricity on Sunday after Sinohydro Corporation Ltd began building the plant in 2008.



President Choummaly Sayasone (centre) cuts a ribbon to open commercial operation of the Nam Ngum 5 hydropower dam in Luang Prabang province.

The US\$200 million dam has an installed capacity of 120MW, with planned annual power generation of 507GWh. The dam is located on the Ting River, a right bank tributary of the Nam Ngum River, and is about 300km north of Vientiane.

A ceremony to mark the start of commercial operations took place at the powerhouse, and was attended by President Choummaly Sayasone, Deputy Prime Minister Somsavat Lengsavad and Lao and Chinese government officials.

Speaking at the event, Deputy Director of Sinohydro Group Ltd, Mr Zong Dun Feng, said the dam will generate much needed electricity for the north of the country and will help to drive the development process.

The Nam Ngum 5 hydropower plant is an important part of the government's socio-economic development plan, especially in the energy and mines sector, said Minister of Energy and Mines Soulivong Daravong.

The dam will produce electricity for domestic and overseas supply and will help to expand the power grid in line with the government's plan.

By 2015, the electricity grid should reach 80 percent of households in Laos and 90 percent by 2020, Mr Soulivong said.

The project is a joint venture between China's Sinohydro Corporation and Electricite du Laos (EDL) and has a 25-year concession agreement. After the end of the concession period, ownership of the plant will be transferred to the Lao government.

The project is operating under the build-operate-transfer model. This is a type of arrangement in which the private sector builds a project, operates it and eventually transfers ownership to the government.

Mr Soulivong said he believed the project would be a model for similar hydropower plants, including those under construction and in the planning stages.

The project also serves to strengthen economic ties between the Lao and Chinese governments.

A memorandum of under standing on the project was signed between the Lao government and Sinohydro Corporation in 2004, and has been strongly supported by the Lao and Chinese governments. The Sinohydro Corporation holds an 85 percent share in the venture, while EDL has a 15 percent share e.

The Ministry of Planning and Investment granted an investment licence to the project investors in 2007.

The main dam is located in Luang Prabang province, while the powerhouse is situated in Xieng Khuang province.

The project consists of main three parts – water retention, water diversion, and the powerhouse.

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