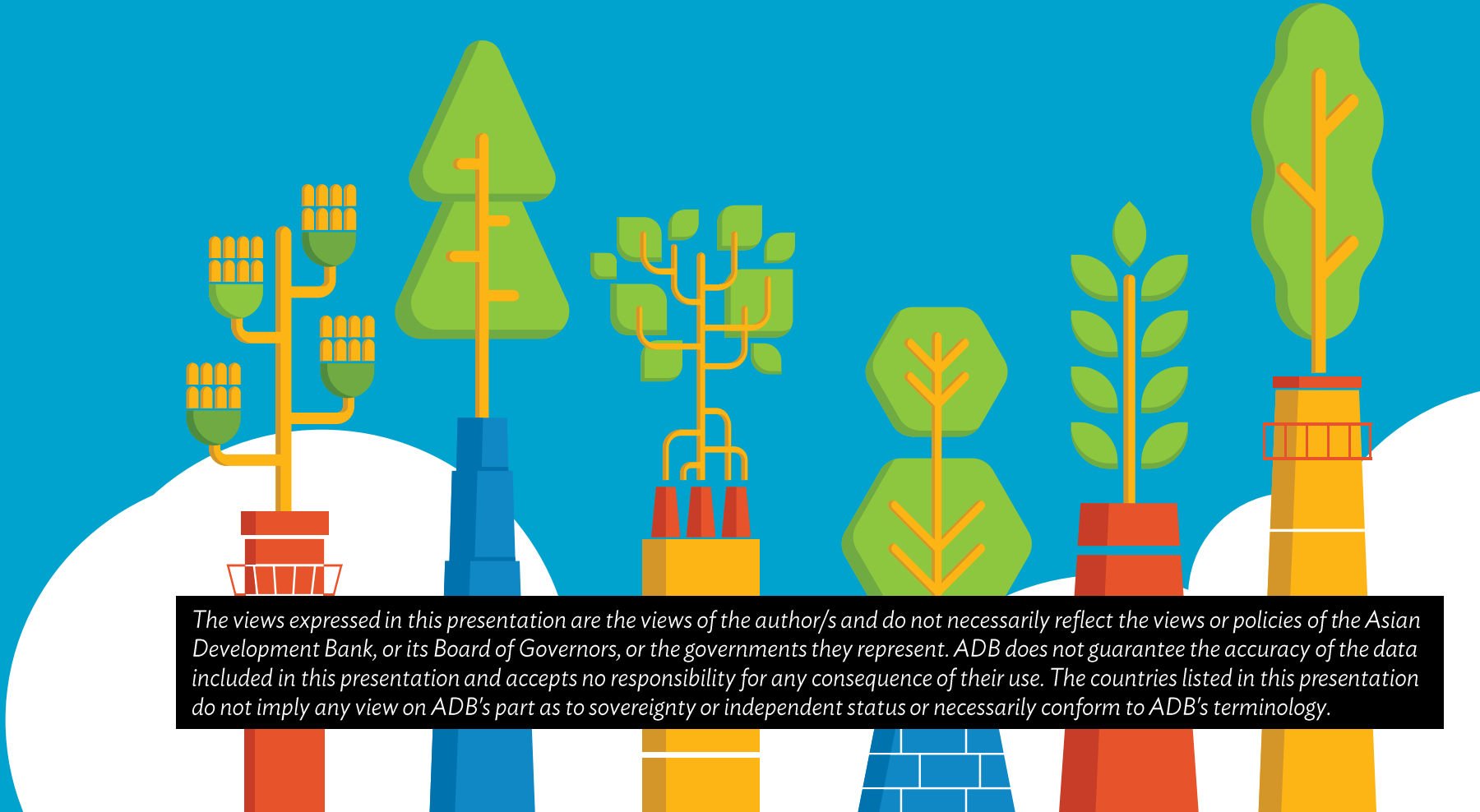


CAMBODIA NATIONAL SOLAR PARK PROGRAM

Opportunities to Scale Up Economic and Market-Based Instruments to Address Air Pollution



Sustainable Financing for Nature Positive Investments: Tools for Integrating Economic and Market-Based Instruments into Projects

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Project Overview



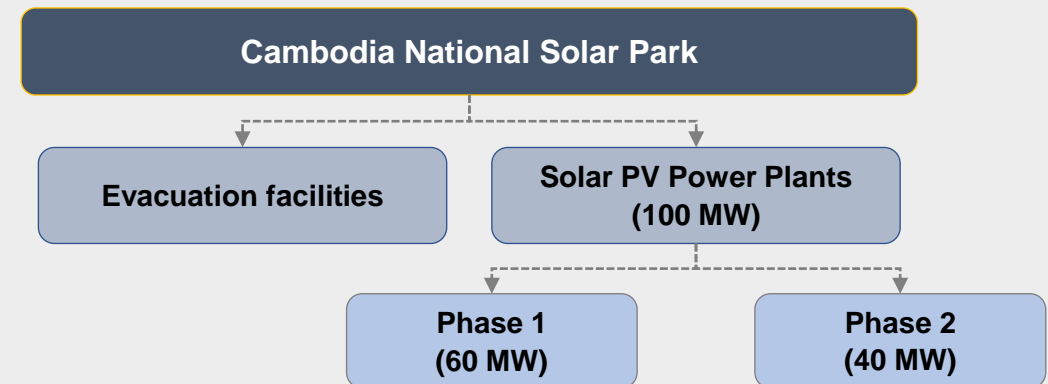
Development Context: Cambodia

- 16 million people
- Lower-middle income country
- 20% combined annual power demand growth rate since 2004
- CO2 emissions of 0.44 metric tons per capita
- 18 percent of the country's total electricity supply was imported fossil-fuel energy
- Electricity shortage—nearly 5 million Cambodians lacked access to electricity
- High tariffs of US\$0.14 to US\$0.17 per kWh, well above those of regional counterparts, constrained economic competitiveness
- Unutilized excellent solar resources:
 - 10 MW solar PV installed capacity in Bavet

Project Overview

- Objective: Assist *Electricite Du Cambodge (EDC)* to set up a competitive national solar program for the country to exploit its abundant solar resources.
- The project consists on setting up a 100 MW solar PV power plan in Kampong Chnnang province.

Project Components

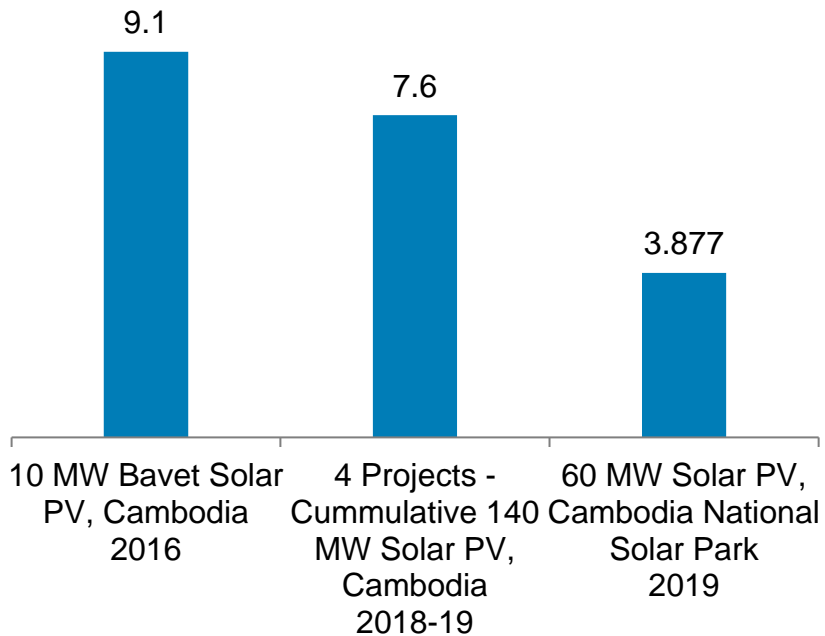


ADB Role in Solar Energy in Cambodia



- **2016:** ADB approved **PSOD** loan for the 10 MW *Bavet Solar Power Project*, the first utility-scale solar project in Cambodia (OCR, CFPS, B loan) including concessional funding
- **2017:** **ADB** developed a preliminary national solar PV grid integration study and roadmap for EDC identifying the need for a large-scale solar park to promote solar
- **2019:** ADB approved **sovereign loan to financed the evacuation facilities for the 100 MW (AC) Cambodia National Solar Park Project**
- **2019:** ADB supported a competitive reverse auction tender to procure the first 60 MW (AC) of solar power. 26 bid are received. Phase 1 is **awarded to Prime Road Alternatives Inc** in 2019 and reaches **financial close in 2021 with PSOD financing.**
- **2021:** **Phase 2 is tendered** with ADB support and 14 bids are received

Development Impact



Financial

- Lowest tariff for solar PV in ASEAN at time of bidding, allowing EDC to save \$81 million¹
- Demonstrated attractiveness to international investors even during COVID-19 pandemic

Regional

- Demonstration effect

Note:

1. Calculated as the difference in price agreed in comparable solar projects implemented in Cambodia during 2019 and 3.877 US\$c / kwh multiplied by energy produced by phase 1

Key Success Factors



**Competitive
Bidding**

**Land
identification
and acquisition**

Bankable PPA

**Credible
international
advisors**

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