

Oddar Meanchey Coal Power Plant

Trapaing Prasat District, Oddar Meanchey Province, Cambodia

WRITTEN BY OUDOM HAM ON OCTOBER 6, 2021.

The Oddar Meanchey Coal Power Plant is a 265 MW power plant currently under construction in Cambodia's Oddar Meanchey Province. Approved in 2020, the project is a joint venture involving a Cambodian company and three Chinese companies. Concerns exist about the project's lack of transparency, with many local people unaware of the scope of the development and no environmental impact assessment published. In addition to worries about pollution, environmentalists have expressed concern about the project's contribution to Cambodia's carbon emissions.

- BASIC INFO
- PROJECT OUTLINE
- PROJECT IMPACTS
- KEY SOURCES

Basic Information

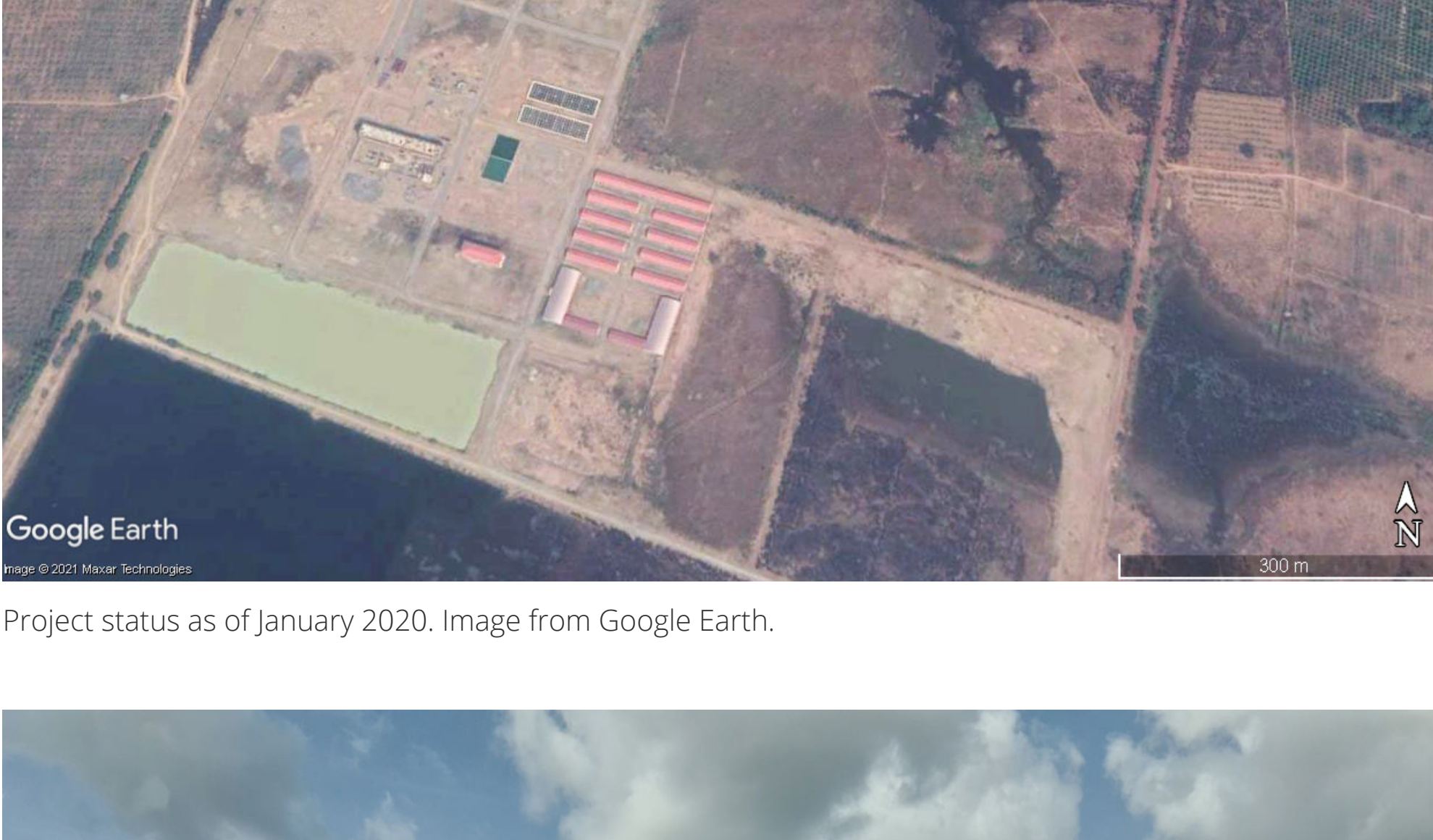
Chinese Name: 奥多棉芒 265MW 燃煤电站项目
Location: Trapaing Prasat District, Oddar Meanchey Province, Cambodia
Type of project: Energy (coal)
Project Developers: Oddormeanchey Power Industrial Company Limited, a joint venture between Han Seng Coal Mines Company Limited, Guodian Kangneng Technology Stock Company Limited, and Beijing Willard Technology Company Limited and China CAMC Engineering Company Limited (a subsidiary of China National Machinery Industry Corporation).
Main Contractors: Guodian Kangneng Technology Stock Company Limited and China CAMC Engineering Company Limited are joint engineering, procurement, and construction contractors.
Known Financiers: 25% equity from project owners, 75% financing from unnamed bank.
Cost: 369.9 million USD
Project Status: Under construction

Project Outline

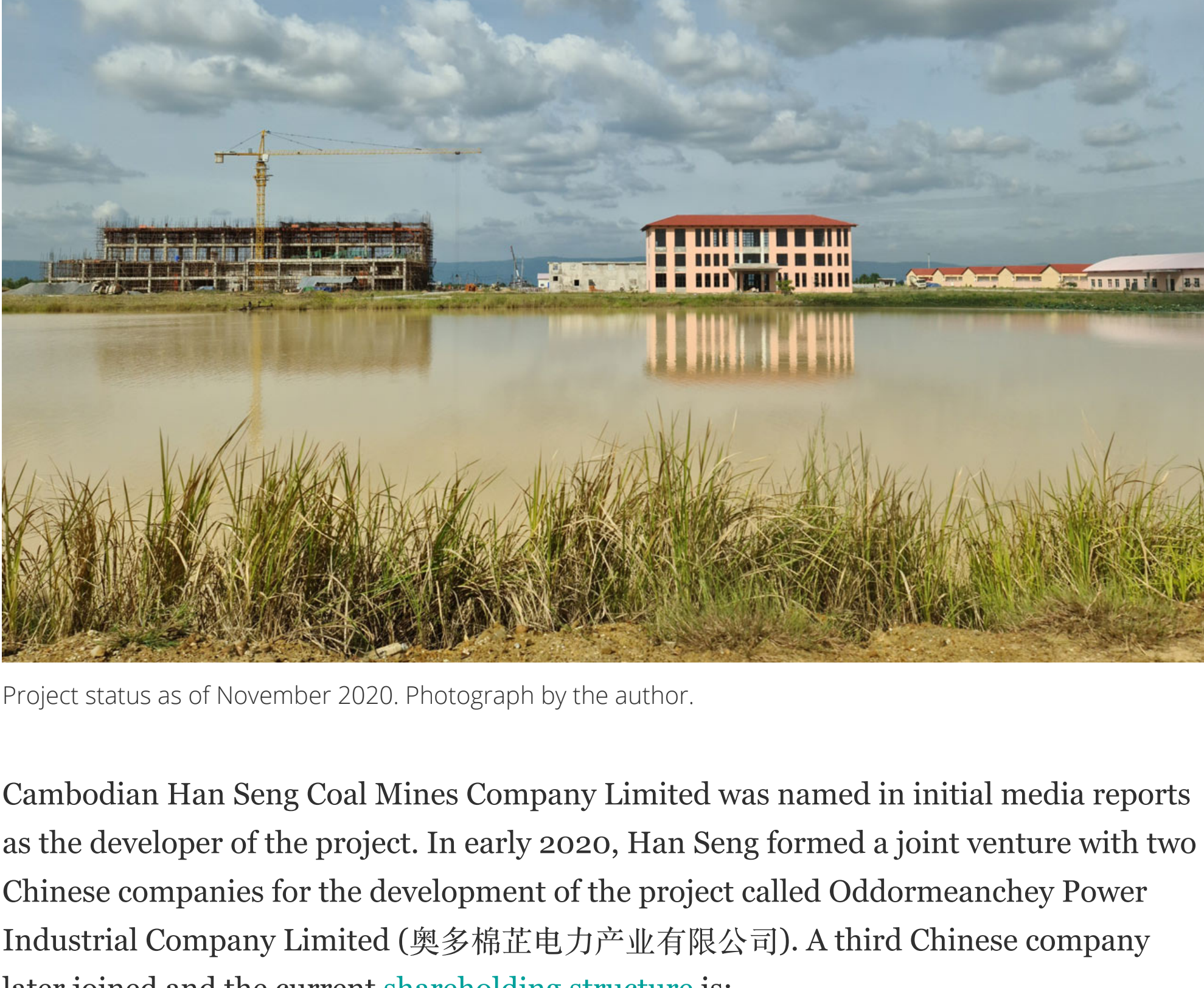
The Oddar Meanchey Coal Power Plant is a 265 MW power plant in Trapaing Prasat District in Cambodia's northern province of Oddar Meanchey. It has been under discussion for several years, but its approval was finally pushed through in 2020, when it was greenlit by the **Council of Ministers** in February, the **National Assembly** in March, and the **Senate** in April. In October, the Council for Development of Cambodia provided **final registration certificates** for the power plant and powerlines.

Media reports indicate that a power purchase agreement was **signed** in March, with Électricité du Cambodge agreeing to purchase power from the plant for 7.3 cents per kilowatt hour. The company will operate the project under a **25-year build-operate-own agreement**. The power plant is being built in **two phases**, with two 65 MW units originally planned to come online in 2021, followed by an additional 135 MW unit in 2022. However, in August 2021, an official from the Ministry of Energy **told the media** the project was behind schedule and would not be completed by 2022 as the COVID-19 pandemic had interfered with the importation of construction materials as well as delaying inspections by foreign consultants.

The plant will be supplied by a local coal mine and connected to a substation in eastern Siem Reap Province by a 230 kV transmission line. Local media reports **stated** that the plant will cost 294 million USD, but a **company announcement** by the lead developer in April 2021 said the plant will cost 369.9 million USD.



Project status as of January 2020. Image from Google Earth.



Project status as of November 2020. Photograph by the author.

Cambodian Han Seng Coal Mines Company Limited was named in initial media reports as the developer of the project. In early 2020, Han Seng formed a joint venture with two Chinese companies for the development of the project called Oddormeanchey Power Industrial Company Limited (奥多棉芒电力产业有限公司). A third Chinese company later joined and the current **shareholding structure** is:

- Han Seng Coal Mines Company Limited (40%)
- Guodian Kangneng Technology Stock Company Limited (38%)
- Beijing Willard Technology Company Limited (12%)
- China CAMC Engineering Company Limited (10%).

Han Seng Coal Mines is owned by Vinh Huor (also known as Huang Hua, 黄华), a well-connected Cambodian tycoon who owns multiple companies and is involved in numerous joint ventures with Chinese companies.

Guodian Kangneng Technology Stock Company Limited(国电康能科技股份有限公司)is a private Chinese company which **first signed an agreement** with Han Seng Coal Mines in 2017 for the development of this project. Guodian Kangneng is **producing** most of the equipment, including boilers and steam turbines, in China and plans to ship them to Cambodia for assembly. A company **announcement** in April 2021 indicated construction of the two 65 MW units was almost complete. The company is also connected to a **proposed coal plant and cement factory** in Kampot Province, on Cambodia's south coast.

Beijing Willard Technology Company Limited (北京威力尔德科贸有限公司) is a private firm from Beijing. The company **calls itself** a scientific and research consultant for a range of industries, but only has 8 million RMB in registered capital (approximately 1.1 million USD) and has a very limited online footprint.

The last company to join the venture is China CAMC Engineering Company Limited (中工国际工程股份有限公司, CAMCE), which is majority owned by the Chinese state-owned China National Machinery Industry Corporation (中国机械工业集团, SINOMACH).

Guodian Kangneng and CAMCE formed a separate consortium to act as engineering, procurement, and construction (EPC) contractor for the project. Under the **EPC contract**, CAMCE is responsible for coordination with the government and other stakeholders, and Guodian Kangneng is responsible for construction management.

All Cambodia's operational coal plants are powered with imported coal. This is less practical for the Oddar Meanchey plant as it is in a landlocked province in the very north of the country. The project developers have said the plant will be supplied by local coal mines. However, based on the author's visit to the area, there are no large coal mines locally that currently have the capacity to power a coal plant, although several small mines in the area produce coal for use in **local brick factories**.

Several companies hold, or have held, coal mining exploration or mining licences near the approved coal plant. However, as no up-to-date public database of mining licences is available, it is difficult to confirm whether these licences are still active or who owns them. Han Seng Coal Mines is known to **hold a coal mining licence** in the area, as do several Chinese companies. Local **media reports** from January 2021 stated that coal extraction had begun at a mine owned by Han Seng Coal Mines, and that the owners were 'conducting additional studies on the supply of coal to the power plant'.

It is unclear where financing for the project is coming from. According to a Guodian Kangneng **announcement** in June 2021, the funding for the project comprises 25% company equity (with contributions from the four joint-venture parties corresponding to the size of their stake in the project) and 75% bank loan. The announcement does not specify which bank is providing the loan, and it is uncertain if the project has reached financial close.

Project Impacts

- **Impact Assessment:** No environmental impact assessment (EIA) of the project has been published. Likewise, no EIA has been published on the transmission line or mine that will support the project.
- **Transparency:** Local people are not well informed about the development of the project, and several people interviewed in the project area did not know the construction was for a power plant.
- **Pollution:** The power plant and associated expansion of local coal mining will result in increased pollution in the area. Local people are heavily dependent on agriculture, and any pollution of water sources will have potentially serious impacts on livelihoods. Air pollution and dust will also risk harming local people's health.
- **Climate Change:** When operational, the plant will further increase the share of Cambodia's energy mix that depends on fossil fuels. This will contribute to climate change but also impact on Cambodia's competitiveness as companies seek production bases with clean energy options.

Since the late 2000s, **Chinese investment and finance** have played a crucial role in developing Cambodia's energy infrastructure, supporting national goals to increase electricity coverage and provide an energy supply that can support industrial expansion. Development of hydropower boosted domestic production to the point that **half of the country's energy** came from Chinese-built dams. However, these dams failed to perform well during recent droughts, leading to the approval of several new coal plants, including the Oddar Meanchey plant. While there is a real need to expand energy production capacity, the shift towards coal has raised **concerns** among environmentalists and investors seeking to green supply chains.

Although construction of the project is under way, no EIA has been published. Coal power plants are linked to numerous negative environmental impacts, including air and water pollution, which can have severe health impacts for local people, local wildlife, and biodiversity. If not properly managed, coal dust from both the mine and the plant could cause skin and respiratory problems for local people and pollute areas where it settles. Mining and power generation can also be water intensive, creating additional strain on local water supplies that are already stretched by recent droughts. It is important for local people to know in detail what the impacts of the project are likely to be, and how they will be mitigated, which is not possible without publication of the EIA.

In the areas close to the plant there is a lack of awareness about the project. According to the author's discussions in November 2020 with residents in Porepl and Chhoe Teal Chrum villages, people were unaware of any EIA being conducted. They explained that a few years earlier they were visited by environmental experts, although they did not clearly identify themselves or explain to the villagers why they were interviewing them. Provincial authorities invited people to a meeting a year before construction of the coal power plant began, but there was limited information on the nature of the project and no detail was shared on its potential impacts. Several people interviewed by the author said that when construction began, they were not even aware that it was a power plant being built, thinking instead it was a dormitory for Chinese workers.

Cambodia has said on many occasions that it is committed to **combating climate change**, yet in the past few years, it has rapidly expanded its coal power production. As of 2020, around 50% of the country's energy came from hydropower dams, but the current development of coal plants and plans to increase the use of natural gas could flip Cambodia's energy mix to being **almost 75% dependent on fossil fuels**. This will make it harder for Cambodia to meet its climate change commitments and impact on the country's competitiveness as companies seek production bases with clean energy options (for more discussion of this issue, see **this essay** on the Map's blog).

In-Depth Sources

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- Haffner, Andrew. 2020. 'Is Cambodia's Turn to Coal Power Further Risking its Fragile Economy?' *Southeast Asia Globe*, 4 November. [Link](#).
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Updated on 6 October 2021.

Oudom Ham is an environmental and human rights consultant. He has expertise in investigative research, fact-finding, and documentation of social and environmental impacts associated with energy development. He closely follows the development of coal-fired power, large-scale hydropower, and clean energy projects in Cambodia and the Greater Mekong Subregion.

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