

COUNTRY PROFILE

Cambodia

Hydropower installed capacity

1,330 MW (2019)

Pumped storage installed capacity

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Generation by hydropower

4.03 TWh (2019)

As one of the fastest growing economies in Asia, Cambodia is seeking to rapidly expand its power sector to keep up with increasing demand, having experienced double digit annual growth in recent years. Blessed with vast water resources including the Mekong River, hydropower is Cambodia's main source of electricity. With less than 20 per cent of its estimated technical potential developed, this source of renewable energy is set to play an even greater role in the future.

Cambodia's electricity sector is undergoing a major transformation, and high on the government's agenda is increasing access (72 per cent of households currently have access), improving grid reliability, and reducing imports and costs for consumers.

Electricity imports, largely from heavy fuel oil, represent around 15 per cent of consumption and the government is aiming to become self-sufficient in the medium term to help address high tariffs which are deterring greater foreign investment. Cambodia's electricity prices are some of the highest in the region and range from USD 0.09 - 0.25 per kilowatt hour in urban areas connected to the central grid to USD 0.40 - 0.80 per kilowatt hour in rural areas.

In 2018 Cambodia took an important step forward in achieving its energy goals with the commissioning of the 400 MW Lower Sesan II project. Located in the northeast of the country on a major tributary of the Mekong River, it was built at a cost of USD 780 million and is a joint-venture between China's Hydrolancang International Energy (holding a 51 per cent stake), Cambodia's Royal Group (39 per cent) and Vietnam's EVN International Joint Stock Company (10 per cent).

As the country's largest hydropower project, Lower Sesan II will boost electricity production by 20 per cent with the electricity being sold to the state-owned utility Electricité du Cambodge at a base price of USD 0.0695 cents/kWh. Its development was underpinned by a 45 year Build-Operate-Transfer (BOT) contract with the government which will also benefit from annual tax revenues in the order of USD 30 million.

With Lower Sesan II entering into operation, Chinese built hydropower projects in Cambodia have an installed capacity of over 1,300 MW and account for half of the country's total installed capacity from all energy sources. All based on BOT contracts, hydropower development has been a key pillar of Sino-Cambodia relations over the past decade and is set to continue as part of China's Belt and Road Initiative.

Several more hydropower projects have been proposed in recent years including the 2,600 MW Sambor project located on the mainstream of the Mekong River. Given its significant generating potential, the government views the project as an opportunity to generate revenue through exporting its electricity to neighbouring countries including Vietnam and Thailand where regional interconnectors are already in operation. However, the project has raised environmental and social concerns, particularly over the impact on fish migrations and a final decision on its future is still to be made.

As a founding member of the Mekong River Commission in 1995, an inter-governmental organisation formed to jointly manage the shared water resource Cambodia is committed to regional cooperation in order to sustainably develop the Mekong River basin. Yet as outlined in the country's National Strategic Development Plan 2014-2018, challenges remain including insufficient financial resources and institutional capacity which needs to be addressed.

This country profile is featured in the 2019 Hydropower Status Report. Download the report: [hydropower.org/statusreport](https://www.hydropower.org/statusreport)

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