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## Papua to build a 2,000 MW power plant to meet demand

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The Jakarta Post reported that the Papua provincial administration is planning to build a 2,000 MW hydro power plant to meet electricity demand and to support infrastructure needs in Papua.

Mr Barnabas Suebu governor of Papua, after meeting with President Mr Susilo Bambang Yudhoyono, said that "We are finishing the feasibility studies for the hydro power plant. It requires more than IDR 5 trillion. The plant will eventually generate 2,000 MW in total, but we'll start with a 300 MW power plant and build it in steps."

He said that the administration would be one of the financiers in the hydro power plant project, while also inviting other investors. He, however, did not disclose the designated time for the studies to be completed or for the plant to commence operation.

Mr Barnabas did not say whether the plan was part of 18 power plants slated to be built in the province by state utility company PT PLN during the 2007-2012 period.

PLN has said that the 18 power plants will include coal, hydro and micro hydro plants, to meet power demand and lessen the province's dependency on diesel power. The 18 power plants include the 19.2 MW Genyem hydro power plant (expected to commence operation in 2010), two 10 MW coal-fired plants at Jayapura Baru (to commence operation in 2011-2012) and the 1.1 MW Amai micro hydro power plant (expected to commence operation in 2010).

Mr Barnabas added that the power plant projects were just another example of how the resources rich region is gearing up for a series of major development projects. In addition to these electricity projects, he confirmed earlier statements by state officials over the establishment of a cement factory to help tackle a supply problem that often resulted in escalating cement prices in the region.

According to industry minister Mr MS Hidayat, the US mining giant Freeport McMoran was among the investors interested in constructing a cement factory, worth about IDR 3 trillion.

Mr Barnabas said that the construction of the cement factory would begin in 2010. He added that "What's important is that good governance must be in place, infrastructure that supports investment, public support, security, and then other incentives for investment such as tax concessions and others."

(Sourced from [www.thejakartapost.com](http://www.thejakartapost.com))

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