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**MEDIA STATEMENT BY MINISTER FOR PUBLIC ENTERPRISES,
HON. ARTHUR SOMARE**

‘Power situation in Lae will be back to normal early next year’

Emergency measures are being undertaken by PNG Power on a number of fronts to rectify disruptions to power supplies that have affected Lae and other areas, the Minister for Public Enterprises, Hon. Arthur Somare, said today.

“As a result of several recent initiatives I have been assured that Lae’s power supplies will be more stable and reliable from early next year,” Minister Somare said in a statement.

Minister Somare said the four operating units at the Ramu hydro-electric project have been severely de-rated because of lack of maintenance since they were built many years ago.

“PNG Power has been funding refurbishment activities but the poor conditions of these machines have led to ongoing problems and constant disruptions and a difficult work environment,” he said.

Plans for a complete refurbishment of the Ramu power station are now in hand and will be completed in a period of 12 to 18 months. The first refurbished 15MW unit will be available around the middle of next year.

Minister Somare said: “Clearly this is an unsatisfactory situation that cannot be allowed to persist.

“With the approval of the PNG Power Board, the management has begun to install considerable standby diesel power generation capacity that will largely resolve the problem of constant interruptions until the refurbished Ramu power station is fully online.

“A 12 megawatt generating unit is being constructed at Taraka in Lae and is expected to be completed in January. It will provide back-up power supply whenever the Ramu units are forced offline. This will provide adequate power to cope with demand in Lae.”

Minister Somare said similar action has been undertaken in Madang, where a newly installed 13MW unit takes over during interruptions at Ramu. A further 4MW of backup generation will be provided in Goroka.

“I wish to apologise to businesses and the public for inconveniences they have faced and to assure them that PNG Power has been doing its best to end the severe disruptions that have been occurring,” he said.

“I would like to remind the public that PNG Power had been declared insolvent when the previous Morauta Government left office.

“However, in the past six years this government has rehabilitated PNG Power. Under the strength of its own local management it has since managed to raise considerable funds from financial institutions and to totally refurbish the Rouna-2 hydro plant in Port Moresby.

“We are now well on the way to rehabilitating the Ramu system in a similar fashion, along with a variety of rural electrification programs that are underway in several provinces.

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