

INDIA IS GREENING ITS GRID WITH THE HELP OF THE PRIVATE SECTOR

The Allain Duhangan run-of-the-river Hydro Power Project sees first issuance of carbon credits

About 500 kilometers from New Delhi, in the foothills of the Himalayas, the Allain and Duhangan Rivers feed into a run-of-the-river hydroelectric plant that is helping to move India towards a low carbon development path. The addition of renewable energy power to India's power grid helps to reduce greenhouse gas emissions and allows the AD Hydro plant to generate carbon credits. On August 24th 2012, the United Nations Clean Development Mechanism Executive Board announced the Allain Duhangan Hydropower Project's first issuance of 169,798 Certified Emission Reductions, which will be sold to the Italian Carbon Fund for which World Bank is the Trustee.

Mr. O P Ajmera, CEO of AD Hydro Power Ltd, expressed his deep gratitude to each member of the project team on this occasion and thanked all stakeholders for achieving this milestone. He also acknowledged the support of the World Bank Group for this accomplishment. Lars Ellegård, Country Manager, SN Power India expressed his delight at this development and congratulated all the team members involved in the process. He reiterated SN Power's commitment to further expand and develop clean energy business in India.

The power shortage in the Northern region of India continues to hamper the country's growth and development. During April-July 2012 these shortages were to the extent of 5200 MW, which is approx 11.4% of the peak demand of the Northern Region. Allain Duhangan HEP, which started construction in 2005 with the support of the International Finance Corporation, is a greenfield run-of-river project without any dam on the river. It provides the grid with 192 MW of electricity making it the largest run-of-river hydro power plants in India to issue carbon credits to date. It is also one of the large hydro power projects in India to be fully financed by the private sector.

"Congratulations to project owners Bhilwara Group, S.N. Power and our sister organization the International Finance Corporation for making this project happen", said the World Bank lead for the project, Chris Warner. "This substantial investment is making an important contribution towards the greening of the India power grid and in meeting the peak power needs of the rapidly growing Indian economy".

The high head underground power plant uses water flow from a combination of glacial snowmelt and monsoon rains. In addition to lowering greenhouse gas emissions, during construction, the project provided thousands of jobs for the Kullu district of Himachal Pradesh and is contributing to the overall development of its infrastructure.

IFC Asia Director for Infrastructure, Anita George, said, "IFC is committed to assisting India in meeting its energy needs - particularly from renewable energy sources - to bridge the huge gap

that exists between demand and supply, a critical bottleneck to macroeconomic growth and access to electricity. IFC has a growing renewable energy portfolio globally and in India. A D Hydro is one of our early renewable projects in the country that reaches clean energy to 460,000 people while also generating carbon credits."

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