

Brief

Name of Project: “Fuel Switch and Energy Efficiency Project at Prosperity Weaving Mills limited (PWML), Lahore, Pakistan.” Version 1.

Objectives:

- The main objective of the project activity is to switch engines from Heavy Fuel Oil (HFO) to natural gas through energy efficiency for power generation and boilers for steam generation and contributes towards sustainable development.
- To help in achieving the objectives of combating climate change under UNFCCC by reducing significant amount of greenhouse gas (carbon dioxide) emissions.

Date of Submission: 8th February, 2008.

Submitted by: Prosperity Weaving Mills Limited (PWML)

Project Sponsors: Prosperity Weaving Mills Limited, Lahore, Pakistan

Co-sponsors

Loan from Bank.

Project Development Consultants: Emergent Ventures India (Pvt) Limited.

Detail of Total Project Cost:

Parameter	Amount in PKR(Million)
Plant & Machinery	Rs. 4.2 million
Building	Rs. 144.89 million
Gas pipe lines	Rs. 24.79 million
Total Project Cost	Rs. 173.88
Total Project Cost in US\$(Million)	US\$ 0.29

Estimated Emission Reduction:

<u>Source</u>	<u>Tons of CO₂eq/ yr</u>
Prosperity Weaving Mills Limited.	16,722
Total annual reduction:	16,722

Operational Lifetime: 20 years.

Starting/Commissioning Date: April 2008

Crediting/Validity Period:

- Kyoto First Commitment Period: 2008-12
- Estimated validity period (Including Post Kyoto period): 2008-27

Economic Viability of the Project:

In CDM there are two possibilities to prove additionality i.e. Investment and barrier analysis. In the project additionality is not based on the financial analysis but rather on the barrier analysis.

Benefits from the Project:

Activity	Revenue (US\$) Million
Sale of Carbon Credits (@ US\$ 11/tonnes of CO _{2eq}):	0.187
Total Estimated Annual Revenue:	0.187

Other Qualitative Benefits:

- The project reduces local air pollutants and environmental impacts due to increase use of natural gas for power generation.
- Project activities will enhance local employment opportunities that will be created particularly for the time span of construction and operation of the plant by reducing poverty in an economically depressed region.
- The project shall help in creation of both skilled and non-skilled job opportunities.
- Improved the skill set for local inhabitants for training and capacity building in order to grow their technical skills.
- It helps in generation of employment during erection and commissioning and later on in its operation thus having a positive impact on the local communities.
- The project contributes to a diversified energy supply in the host country.
- It encourages the use of the new financial mechanism (CDM) to raise finance for energy projects for power generation through fuel switch project.
- The project builds up a knowledge base about the operation of the natural gas power generation and builds up a skill set for such kind of operation.
- The Project activities will bring new equipments/machinery i.e. Gas engines and boilers, which will be imported, thus ensuring technology transfer to the country for enhancement of energy efficiency development projects.