

Initial Project Summary
Rehabilitation of an Existing Cogeneration Plant
with a 94 MW Gas-Fired Thermal Power Unit and a Desalination Unit

Project Location: Karachi, Pakistan

Name of US Applicant: International Electric Power, LLC

Project Description: The Project involves the rehabilitation and operation of a cogeneration (“Cogen”) plant with a thermal power unit with a 94 megawatt capacity which will generate up to 80 megawatts of electricity (MW_e) and a desalination unit which can produce 3 million gallons per day of potable water. The Cogen plant was first commissioned in 2008 but faced various shutdowns in the following three years due to operational problems. The plant was mothballed for the long term in 2010. The thermal power unit uses natural gas as fuel in a combined cycle process which comprises of a 67 MW gas turbine and a 27 MW steam turbine. The Cogen plant is located on a 10 acre plot of land which has been leased to it by the local sponsor, Defense Housing Authority (DHA). Natural gas is supplied by the local gas company through their existing gas supply network. Sea water is used for desalination in a packaged treatment unit comprising of filtration, evaporation, and condensation steps. All plant rehabilitation work will be undertaken under the supervision of a major international engineering services firm.

Environmental and Social Categorization and Rationale: The Project has been screened as Category A because it involves the rehabilitation and operation of a cogeneration complex that has the potential to impact both ambient air and sea water quality. The major environmental and social risks associated with the project include the potential for nitrogen oxides releases (from power generation units) to impact beyond the project boundary, waste (including hazardous waste) disposal, occupational health and safety risks associated with the handling of hazardous materials (including natural gas), and potential risks to community health and safety.

Environmental and Social Standards: International Finance Corporation’s (IFC) Performance Standards (PS) on Environmental and Social Sustainability (January 1, 2012) are applicable to the Project. IFC’s PS 1 (Assessment and Management of Environmental and Social Risks and Impacts), PS 2 (Labor and Working Conditions), PS 3 (Resource Efficiency and Pollution Prevention), and PS 4 (Community Health, Safety, and Security) are triggered. Based on the information currently available, the local Sponsor owns the plot of land which has been leased to the Project. The local Sponsor acquired the plot of land through a commercial transaction in which owners gave up their land voluntarily. Hence, IFC’s PS 5 (Land Acquisition and Involuntary Resettlement) has not been triggered. There are no sensitive habitats at or near the Project site and no indigenous people and cultural heritage sites have been identified at or near the Project site. Hence, IFC’s PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), PS 7 (Indigenous Peoples), and PS 8 (Cultural Heritage) also are not triggered.

January 30, 2013

Environmental and Social Guidelines applicable to the Project include: International Finance Corporation's (IFC) Environmental, Health, and Safety (EHS) Guidelines for Thermal Power Plants (2008) and General EHS Guidelines (April 2007).

Location of Local Access to Project Information: A copy of the Environmental and Social Impact Assessment (ESIA) & Audit Report may be found at the following location:

Liaqat National Library,
Government of Sindh
Stadium Road,
Karachi, Pakistan
Phone: 92 51 9923 0116