Environmental Monitoring Report

Bi-annual Report
Covering the period of January – June 2016

PAK: Jamshoro Power Generation Project

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Prepared by the Jamshoro Power Company Limited (JPCL), with the assistance of Mott MacDonald Limited (United Kingdom) in joint venture with MM Pakistan (Pvt) Ltd (Pakistan), for the Islamic Republic of Pakistan and the Asian Development Bank (ADB).

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1 Introduction

The Government of Pakistan aims to increase the share of coal-based generation from almost none in the current year (2016) to 15% over the next few years. In support of this initiative Jamshoro Power Company Limited (JPCL) and Genco Holding Company (GENCO), supported by the Asian Development Bank (ADB), is planning a brownfield extension of the Jamshoro Power Station in order to improve the total plant efficiency and increase the power output from the Plant. The project is known as the Jamshoro Power Generation Project (JPGP).

The project site is approximately 20km northwest of Hyderabad, and about 150km northeast of Karachi in the Sindh Province of Pakistan. The Indus River is about 3.5km east of the power plant site. Currently there are four fossil fuel-fired electricity generating units installed and operating at the site (Unit 1 is oil fired and Units 2 – 4 are dual fuel-fired (oil/gas)).

JPGP is proposed to initially comprise of 1x660MW (net) supercritical power plant with facilities to expand to 2x660MW plants. The project aims to decrease the existing power shortfall in Pakistan and address environmental concerns from the existing oil-fired power units. The new boiler(s) will be designed to utilise imported sub-bituminous coal blended at 80/20 with local lignite as its fuel.

Currently (end of June 2016) JPGP is in the early implementation stage with tender packages having been floated for:

(i) Construction and operation of the 2x660MW (gross) supercritical power plant (first round bids are due to be received by 06 August 2016)
(ii) Rehabilitation and remediation of some aspects of the existing oil fired plant (these tenders have been submitted and the PIC tender evaluation report is under consideration by JPCL).

This report is the third bi-annual environmental monitoring report for the project covering the period from January 2016 to June 2016. Subsequent bi-annual reports will be reconfigured as necessary to reflect activities and available information as the project develops.

2 Environmental monitoring and management

2.1 Environmental monitoring

At the time of compiling this report (July 2016) no construction, rehabilitation or remediation activities had commenced on site and none is envisaged to commence until Q1 2017 at the earliest. As a result an environmental monitoring programme has not been developed. The monitoring programme will be developed in conjunction with the successful bidder(s) and approved by the project implementation consultant (PIC) (Mott MacDonald) and JPCL project management unit (PMU).

As part of the feasibility study for the project and as required by the ADB an environmental audit was undertaken of the existing plant. The audit was included as part of the environmental and social impact assessment (ESIA) for the 2x660MW supercritical power plant (Environmental Impact Assessment; Jamshoro Power Generation Project; October 29, Hagler Bailly Pakistan, 2013 (the ESIA report)). Section 6 of the ESIA report (Issues Related to Existing Plant and Corrective Actions) identified several items related to the existing plant that require remediation or rehabilitation.

The items that were identified are subject to a loan condition applied by ADB that requires the identified remediation works to have a signed contract in place prior to commencement of works on the site associated with the new facility (660MW supercritical power plant).

In line with this requirement site remediation works contract bidding documents were issued to bidders and bids received during the third reporting period (July to December 2015) and a tender evaluation report has been submitted to JPCL for their review and approval. Practical issues on site have delayed finalisation of contract bidding documents for remediation of contaminated land associated with the oil decanting facility and work on resolving the issues is continuing.

2.2 Environmental management

The ESIA study and subsequent ESIA report for the proposed 2x660MW power plant were developed for the Asian Development Bank and include reference to Pakistan national standards and regulatory requirements and international guidelines including ADBs Safeguard Policy Statement (2009) and the World Bank/International Finance Corporation Environment, Health and Safety Guidelines for Thermal Power Plants (2008) (IFC EHS guidelines). International treaties that Pakistan is a signatory are also considered.

The EIA report correctly identifies that both Pakistan national environmental quality standards (NEQS) and IFC EHS guidelines will have to be complied with. In operation this means that the most stringent of the NEQA and IFC EHS guideline environmental limits/standards/guidelines will have to be complied with (with the exception of ambient air quality standards where national standards, where they exist, take precedence over IFC EHS guidelines).

A gap analysis with respect to draft bidding documents and technical specifications was prepared by the PIC and a number of items were identified that were included in the technical requirements for the 2x660MW supercritical power plant when the tender documents were issued.

3 Actions during the next reporting period

The next biannual environmental monitoring report will cover the period from July 2016 to December 2016 and will be made available by the end of January 2016.

During the forthcoming period the following actions are anticipated:

- First roundl bid documents will be received from bidders for the 2x660MW power plant construction and operation packages (Submittals in the first round will consist of Schedule(s) 1, 2, 3 and 4. These instruments are make up the bulk of the “Technical Proposal” and “Final Technical Proposal” stage. These Schedules are required for evaluation of Bidder’s Technical Proposal.)
- Review of the 2x660MW construction and operation first round tenders will commence
- Tenders received for the remediation/rehabilitation packages will continue to be reviewed and potentially awarded.

PIC environmental specialists will:

- Respond to queries relating to environmental aspects of the issued bid document
- Review received bids for technical packages for compliance with environmental requirements
- Review received bids for remediation/rehabilitation packages
- Assist with selection of the preferred bidders
- As appropriate, work with preferred bidders/awarded bidders to establish environmental management and monitoring plans and programmes.