

 Early Warning System

ADB-51308-009

Tripura Power Distribution Strengthening and Generation Efficiency  
Improvement Project



### Quick Facts

|                                |                              |
|--------------------------------|------------------------------|
| <b>Countries</b>               | India                        |
| <b>Specific Location</b>       | Tripura                      |
| <b>Financial Institutions</b>  | Asian Development Bank (ADB) |
| <b>Status</b>                  | Approved                     |
| <b>Bank Risk Rating</b>        | A                            |
| <b>Voting Date</b>             | 2022-11-10                   |
| <b>Borrower</b>                | India                        |
| <b>Sectors</b>                 | Energy                       |
| <b>Investment Type(s)</b>      | Loan                         |
| <b>Investment Amount (USD)</b> | \$ 220.00 million            |
| <b>Loan Amount (USD)</b>       | \$ 220.00 million            |
| <b>Project Cost (USD)</b>      | \$ 277.40 million            |



### Project Description

According to ADB, the proposed project aims to improve the energy security, quality of supply, efficiency, and resilience of power sector in Tripura. The project will finance the replacement of aging Rokhia power plant with a highly efficient and state of the art power plant that will reduce greenhouse gas emission through fuel saving, together with investments in the power distribution network to increase generation capacity, efficiency, and resilience of the power sector against climate change and natural disasters. The project will also support to strengthen the institutional capacity and overall business process of the project executing agencies and promote gender equality through pilot testing of gender and socially inclusive workplace practices.

The project will improve the financial sustainability of Tripura State Electricity Corporation Limited (TSECL) and Tripura Power Generation Limited (TPGL). The key elements will include:

- (i) reducing electricity costs through (a) completion of a highly efficient combined cycle gas turbine (CCGT) plant and (b) reduction of AT&C; losses through smart metering and distribution strengthening; and
- (ii) increasing revenues through (a) reduction of commercial losses by implementing smart metering and (b) improved collection of accounts receivables. The completion of the CCGT plant in particular will significantly improve the financial position of both utilities and reduce the carbon footprint by increasing the efficiency of power generation and facilitating renewable energy integration. A comprehensive financial management action plan (FMAP) containing actions to be taken to improve the financial governance and sustainability of TSECL and TPGL has been prepared by ADB.

Key elements of the plan that will help improve the financial sustainability of TSECL and TPGL include:

- (i) implementing tariff reforms through timely submission of tariff and true-up petitions , the release of government subsidies, and a reduction in the ACSARR gap to zero;
- (ii) improving the timeliness and quality of financial statements through implementation of enterprise resource planning, enabling the timely submission of tariff and true-up petitions;
- (iii) preparing a road map for administrative and financial separation of TPGL from TSECL;
- (iv) improving the management of fixed assets;
- and (v) supporting the implementation of RDSS.

### ENVIRONMENTAL AND SOCIAL ASSESSMENTS

An environmental impact assessment including an environmental management plan (EMP), disclosed on 8 March 2022, concluded the CCGT power plant is the most environmentally sensitive component of the project. An initial environmental examination including an EMP, disclosed on 8 July 2022, found the distribution components will have less adverse impacts than the generation component. These were prepared in accordance with national requirements and ADB's Safeguard Policy Statement. TPGL has initiated the process to obtain national environmental clearance before the start of CCGT power plant construction.<sup>48</sup> National environmental clearance is not required for the distribution components of TSECL. Consultations included two public meetings for Rokhia CCGT power plant and small group consultations for distribution components. Grievance redress mechanism will be established by TGPL and TSECL.

In addition to compliance with national standards, the EMP requires compliance with international good practice emission and discharge levels. It will be designed and operated using best available technology with zero effluent discharge for a life span of 25 years. It will be decommissioned by 2050 in line with the Paris Agreement, well before the Government of India's pledge to achieve net zero by 2070. Decommissioning of the existing plant under a decommissioning EMP, which must be cleared by ADB, is a condition of the project loan.



## **People Affected By This Project**

The major impacts of the Rokhia are GHG emissions, and noise emissions, as well as the risk of fire and explosion. Since the project site supports forest habitat, compensatory plantation will be undertaken. The project does not involve any land acquisition or physical displacement, and no project lands are claimed as traditional lands by local communities. The project does not involve commercial development of any cultural resources. The project's EMP addresses community health and safety impacts.



## Investment Description

- Asian Development Bank (ADB)



### Contact Information

Responsible ADB Officer      Kolantharaj, Jaimes  
Responsible ADB Department      South Asia Department  
Responsible ADB Division      Energy Division, SARD  
   Tripura Power Generation Limited  
  
Executing Agencies                      Tripura State Electricity Corporation Limited

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



### Bank Documents

- [Project Disclosure PDF](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Combined Res](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Gender Equal](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Initial Pove](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Procurement](#)
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Project Admi](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Report and R](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Resettlement](#) [Original Source]
- [Tripura Power Distribution Strengthening and Generation Efficiency Improvement Project: Revised Comb](#) [Original Source]