Early Warning System

AIIB-000603

Uzbekistan: Surkhandarya 1,560MW CCGT Power Plant

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Quick Facts

Countries	Uzbekistan
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	A
Voting Date	2023-06-14
Borrower	SCE-Quvvat LLC
Sectors	Energy
Investment Amount (USD)	$ 224.21 million

Project Description

According to the AIIB website, the objective of this project is: "to increase the availability of energy-efficient baseload generation capacity in the Republic of Uzbekistan."

The Project involves the design, construction, maintenance and operation of a greenfield combined-cycle gas turbine (CCGT) power plant of 1,560MW capacity and associated infrastructure in Surkhandarya region in Uzbekistan.

Consistent with the Uzbekistan Ministry of Energy's "Concept note for ensuring the electricity supply in Uzbekistan in 2020-2030", the Project is supported by a 25-years Power Purchase Agreement (PPA) signed between SCE-Quvvat and JSC National Electric Grid of Uzbekistan in April 2021. The Project is developed using Siemens Energy's SGT5-9000HL turbines with baseload efficiency of more than 60 percent. The Project is expected to be operational in the first-half year of 2026.

The Project site is located in the Angor district of the Surkhandarya region of the Republic of Uzbekistan, on the northeastern coast of the Uchkizil reservoir, which is an off-stream reservoir type used for irrigation.

Applicable Policy and Standards

The AIIB's Environmental and Social Policy (ESP), including Environmental and Social Standard 1 (ESS1) on Environmental and Social Assessment and management, and the Environmental and Social Exclusion List (ESEL) is applicable to this Project. In accordance with AIIB's ESP, an Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP) and a Stakeholder Engagement Plan (SEP) have been prepared. A comprehensive environmental and social due diligence (ESDD) is also being conducted. Based on the ESDD, an Environment and Social Action Plan (ESAP) is being prepared. A 9km 220/500kV overhead transmission line to be built by JSC National Electric Grid (NEGU) to connect the Project power substation to the existing national grid is identified as an Associated Facility (AF) to this Project. The environmental and social impacts of the AF are discussed in the ESIA and the mitigations are recommended to NEGU as the Borrower has no control or influence over this AF.

Environmental and Climate Change

During the construction phase, the Project will result in certain negative impacts locally, including air pollution, noise and vibration resulting from heavy machinery and vehicles, soil erosion, discharge of wastewater and disposal of construction wastes. Mitigation measures are included in the ESMP. During operation, the Project will use a closed-loop cooling system with water supplied from the Uchkizil reservoir. The local authority has confirmed the water use by the CCGT will not affect other water users, like agricultural irrigation. A wastewater treatment system will be established within the Project and treated water will be discharged into Uchkizil reservoir in compliance with the standards of Uzbekistan. Thus, the impacts on surface water quality would be negligible. The noise and air quality assessments show compliance with applicable standards, including the National and EU standards.

Based on terrestrial surveys conducted in Spring and Summer, no plant and animal species observed in the Project area meet the criteria requiring a Critical Habitat Assessment. Additional terrestrial and aquatic ecology surveys are performed in Autumn and the ESIA will be updated and disclosed accordingly. The water intake velocity will be limited with 0.15 m/s and a bubble curtain shall be applied to prevent fish and fauna to enter the intake. This Project is not expected to induce significant cumulative impacts as no other project is planned in the area of the Project.

The on-site GHG emissions during each construction year are estimated around 1,822 tons CO2eq and arise mainly from purchased electricity and combustion of diesel fuel by vehicles and equipment. During the operation phase, GHG emissions are estimated around 5,460,000 tons of CO2eq per year ie. 0.426 kg CO2eq per kWh of power generation. The Project has adopted climate resilience design, including a dry cooler system for condensers minimizing process water consumption.

Social Aspects

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Private Actors Description

The Project is being developed by Stone City Energy (SCE, 20%), EDF (20%), Siemens Energy (25%) and Nebras Power (35%), through a dedicated project company SCE-Quvvat.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	EDF	Parent Company	-
-	-	-	-	Nebras	Parent Company	-
-	-	-	-	Siemens Energy, Inc.	Parent Company	-
-	-	-	-	Stone City Energy B.V.	Parent Company	-

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Project Summary (October 12, 2022) [Original Source]

Community Documents

- Learn more: This project is tracked by AIIB Watch.

Campaign Documents

- AIIB Watch Case Study

Media

- Uzbekistan to cooperate with the Netherlands and Turkey to build power plants in Khorezm and Surkhan