



Project Summary Information

Project Name	Surkhandarya 1,560MW CCGT Power Plant
Project Number	P000603
AIIB member	Uzbekistan
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Sustainable Energy for Asia, Private Capital Mobilization
Status of Financing	Concept Review (27 April 2022)
Objective	To increase the availability of energy-efficient baseload generation capacity in the Republic of Uzbekistan.
Project Description	<p>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. 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.</p> <p>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.</p>
Expected Results	<p>The key results indicators are:</p> <ul style="list-style-type: none"> a) Improved generation efficiency b) Increased carbon efficiency c) Improved energy reliability

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Environmental and Social Category	The Project is categorized A under AIIB's Environmental and Social Policy (ESP).
Environmental and Social Information	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

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	<p>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.</p> <p>Social Aspects. The land provided for the Project is from Surkhandarya regional reserve and was not under possession by any individual or legal entity. According to the decision by the regional administration, dated 30 August 2021, the Project area of 70 ha was allocated for the construction of a CCGT power plant. The decision was disclosed through the unified portal of the Ministry of Justice (https://e-qaror.gov.uz). During social surveys conducted in 2021 and 2022, no legal and/or informal land users were observed. There is no agricultural or other economic activity observed within the Project area.</p> <p>Stakeholder Engagement and Information Disclosure. Consultations with project-affected people and communities, government agencies and other stakeholders have been carried out during the preparation of the ESIA. Focus group discussions with households including women from local communities were held. Additional consultations will be held after disclosure of the draft ESIA and ESMP, as detailed in the SEP to enable meaningful consultation and inclusive participation. The ESIA including the ESMP will be finalized according to the consultations and the additional surveys and also be disclosed if needed. The ESIA in English and Uzbek languages and the Non-Technical Summary and SEP in English, Russian and Uzbek languages are disclosed at the websites of SCE (stonecityenergy.com/projects) and AIIB. The hard copies of the ES documents will be made available at the Project site.</p> <p>Grievance Redress Mechanism. A detailed grievance redress mechanism (GRM) is provided in the SEP. Locally appropriate public consultation and disclosure process will be implemented to timely disseminate information about the project-level GRM and the PPM of AIIB. The construction and commissioning phase will require two separate GRMs to be implemented, one for internal parties, i.e., construction and commissioning personnel, workers, project staff (including sub-contractors' staff and visitors); and the other for external parties, i.e., Project-affected people. Similar GRMs will be established for the operation phase.</p>	
Cost and Financing Plan	Total estimated Project cost is EUR[1,205] million that will be covered by Sponsors' equity and external debts, including AIIB's expected commitment up to EUR[225] million.	
Borrower	SCE-Quvvat LLC	
Contact Points:	AIIB	SCE

Project Summary Information Template. Sovereign- and Nonsovereign-Backed Financings – updated on June 23, 2020

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Date of Concept Decision	April 27, 2022		
Estimated Date of Final Decision	December 2022		
Estimated Date of Financing Approval	January 2023		

Independent Accountability Mechanism	<p>The Project-affected People’s Mechanism (PPM) has been established by the AIIB to provide an 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 AIIB’s failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management’s processes.</p> <p>For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policyon-theproject-affected-mechanism.html.</p>
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