



For Immediate Release

October 13, 2008

Contact: Sridhar Samudrala

+91 9959994040

Email : ssamudrala@localpower.org

COGENERATION TO MEET INDIA'S ENERGY NEEDS IN MIDST OF ENERGY/ FINANCIAL CRISIS

The International Energy Agency (IEA), the leading international energy organization, with the assistance of the World Alliance for Decentralized Energy (WADE), the NGO that advocates decentralized energy use, have recently completed a report on the potential for cogeneration (or combined heat and power (CHP)) in India. The summary was presented at the Energy Dialogue on Cogeneration/CHP on October 13th, 2008, at the India Habitat Center in New Delhi which showed the CHP/DHC potential to meet some of the energy needs of India. **Tom Kerr, IEA Senior Energy Analyst, Power Secretary Anil Razdan, S. Samudrala of WADE and industry stakeholders from Wartsila and Thermax** spoke at the event and concluded that in order to allow the country to benefit from the dramatic energy savings from cogeneration, mechanisms (such as gas allocation for small scale generators) must be put into place.

The report highlights the current low efficiency of power generation worldwide, and in India – typically fossil-fuelled power generation is 33-35% efficient; meaning that 2/3 of the fuel burned to produce electricity is vented as waste heat. Cogeneration and district cooling/trigeneration can reach between 70% to over 90% efficiencies; cutting fuel use in half. To tap into these dramatic energy savings in a time of energy shortages and financial crisis, the IEA recommends increasing awareness in Central, State, and Local governments for the efficiency measures of CHP/DHC, establishing an industry initiative on CHP/DHC, extending regulatory and policy support for CHP/DHC, and enhancing international cooperation, to learn from countries such as Denmark, Finland and Korea, who are among the world's leaders in use of efficient cogeneration.

The IEA and WADE also believe that the prospect for CHP growth appears promising as increased competition and energy costs drive industries and commercial establishments to attain greater energy efficiency and “total” solutions to meet their energy needs. IEA estimates that India has the potential for almost 28 gigawatts (GW) of CHP in 2015 and 85 GW in 2030 (growing from a current base of less than 10 GW) and indicated that there is enough

potential for CHP and district heating and cooling (DHC) to be implemented in smaller industrial parks, special economic zones and other areas where there is a concentration of large commercial and software establishments which have a need for secure, low-cost heat, cooling and power.

Secretary of Power, Anil Razdan said “India needs to take advantage of the wasted energy from the generators and with the new gas pipeline constructed, the small scale generators and communities close to the gas pipeline, will have a better capacity to utilize the fuel to the maximum efficiency – we need to do it now, can’t wait for the future”. The IEA’s Tom Kerr commended India on its leadership in biomass CHP in the sugar industry, but indicated that “There is much more potential in India to tap into a tremendous free source of energy in waste heat for CHP. The IEA is ready to work with industry, government and other stakeholders to advance deployment of clean and efficient decentralized technologies in the coming years.” The Industry leader in CHP, Mr. P. Bhadury of Thermax and Mr. A. Sachar of Wartsila showed specific examples of how the industry will move ahead and also the obstacles that local governments are putting which prevent the use of CHP and DE. Dr. Ajay Mathur, Director General of the BEE indicated that his agency is ready to help in putting the CHP on the local governments plans so that they can meet their energy needs and this is not just lip service but will happen. Sridhar Samudrala closed the event and indicated that with the proper signals from the GOI, the industry and associations such as WADE will promote and develop CHP and DE projects so that India and most importantly the environment can benefit by using the fuel resources to the maximum efficiency.

Contact: Sridhar Samudrala

Director – Asia

+91 9959994040

Email: ssamudrala@localpower.org

Web: www.localpower.org

For more information about WADE please contact info@localpower.org

***About WADE:** The World Alliance for Decentralized Energy (WADE), based in Edinburgh, Scotland, was established in 1997 as a non-profit research and promotion organization whose mission is to accelerate the worldwide development of high efficiency cogeneration (CHP) and decentralized renewable energy systems that deliver substantial economic and environmental benefits.*
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