



HP Cogen-Pak



Funded by the
European Union



High Pressure Cogeneration for Sugar Sector in Pakistan



Project Consortium



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The Challenge:

Pakistan's sugar sector has an annual availability of 4.4 million metric tons of bagasse, sugar mill waste. To generate heat and electricity for its energy needs, sugar sector is using inefficient low pressure cogeneration systems, consuming 46% more bagasse compared to high pressure cogeneration (HPC). Adoption of hpc is hampered by high upfront cost, technology risks, low capacity of technology providers, non-responsive financial sector and non-conducive regulatory regime.

The Project:

HP Cogen-Pak project under the EU funded Switch-Asia Programme aims to promote export of surplus electrical power to the national grid or to allied industrial units, through replication of high pressure cogeneration technologies in the sugar sector by supporting sugar mills through technology standardization, enabling access to finance, and mobilization of relevant public sector authorities.

Training and Capacity Building of the Sugar Sector and Technology Providers:

- Establishment of a National Bagasse Power Support Cell at PSMA, to offer technical, financial and regulatory assistance to its members,
- Development of standardized technical specifications based on regional best practices for high pressure equipment design and operation, and preparation of project implementation tender documents based on consultation among technology providers and sugar mills,
- In-house trainings and capacity building of Technology Providers to develop standardized HPC technology solutions
- Training of technical staff of sugar mills on standardized design and technology selection,
- Development of business cases of technology switch to HPC for 70 sugar mills,
- B2B linkages between local and Indian technology providers of HPC systems.

Improving Access to Finance:

- Financial risk assessment of bagasse based power projects,
- Development of toolkits for SBP's Schemes for Financing Power Plants Using Renewable Power, and the Credit Guarantee
- Trainings of the 5 major FIs in Pakistan on bagasse based co-generation projects and developed toolkits,
- Training of sugar mill financial departments on toolkits and CDM
- Ensuring financial closure for 10 HPC projects,
- Development of project design document for CDM financing for 10 projects

Development of a conducive Regulatory Regime:

- Establishment of Multi-stakeholder platform for bagasse based power systems
- Conduct policy advocacy among Sugar Sector stakeholders, PPIB, and the DISCOs
- Conducting Multi-stakeholder consultations on the update and adoption of the upfront tariff for bagasse cogeneration.

