



United States ~ Asia Environmental Partnership



Energy Wise India

implemented by THE LOUIS BERGER GROUP, INC.

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SUBJECT: Energy Wise India Quarterly Report (10/1/02 – 12/31/02)
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Summary: The activities conducted during the last quarter of 2002 were focused on outreach and communications, solidifying links with various EWI partners, bringing the new Project Manager, Shehnaz Atcha, on board, and overall strategic planning for the project.

In March of 2002 the Government of India's (GoI) Energy Conservation Act (EC Act) came into force. The Act provides for central government's jurisdiction over the efficient use of energy and its conservation and established the Bureau of Energy Efficiency (BEE) to spearhead the improvement of energy efficiency of the economy through various regulatory and promotional instruments.

Over the next five years the goal of the BEE is to build capacity by providing a compelling business case and easily accessible tools to encourage companies to voluntarily pursue energy efficiency strategies. The standards and best practices adopted during these five years will be the underpinnings of the mandatory energy efficiency standards that will be implemented in 2007.

When the EWI program was first being developed, the BEE was only just being established and had not yet developed a clear strategy on how to meet its Action Agenda. Over the past few months the BEE has received funding from the Government of India (GoI) and is much clearer about its needs and activities. The Director General of BEE, Sheshi Shekar, would like to EWI program to work closely with the BEE so that the two programs can compliment and support each other rather than compete for resources and company participation. In particular, Mr. Shekar requested that EWI focus on process opportunities in the aluminum, pulp and paper, and hotel sectors. He noted, that were funding available, he would also like us to pursue other sectors such as petroleum refining. This is a significant change from the initial design of the EWI project, in that there will be a focus on process efficiency rather than simple building envelope improvements. While this requires more technical expertise, process improvements also hold the greatest opportunities for energy efficiency improvements.

Through meetings with BEE and the Strategic Planning Meeting, we were able to assure Mr. Shekhar that our intent is to support BEE's efforts. He in turn, has made a commitment to supporting EWI's success through BEE endorsement of EWI, the incorporation of EWI sector awards into the national energy efficiency award program, and access to BEE task force companies.

The Strategic Planning Meeting was extremely successful in that the core partners were able to agree on a course of action to implement the EWI program. EWI will focus on a set of best practices in each sector, five energy audit demonstration projects, and training workshops and materials. In addition, USAID India and US-AEP India partners have been intimately involved in this strategic planning and have offered assistance in support of the project.

Through discussions with BEE and USAID India it was decided that EWI should additionally address process-related energy efficiency opportunities in the aluminum and pulp and paper sectors. As this work requires highly specific technical expertise not found on the current EWI team, PACE Global Energy Services is being brought on to the project as a subcontractor. PACE has extensive experience assessing and executing energy efficiency opportunities in aluminum and pulp and paper facilities. PACE is also making an in-kind donation of providing a speaker for the EWI launch and developing the executive roundtable.

April 4th has been identified as a date for the EWI national launch. It would take place in Mumbai on the first day of ENERGIUM 2003, an energy efficient products and technology expo being put on by the US-ERC.

Key Activities:

- ~ September and October 2002 - Nick Shufro and Subrata Mazumder held several reconnaissance meetings to ascertain the support for the EWI program, as well as to recruit other partners for the project.
- ~ November 2002 - Shehnaz Atcha was brought on board as the Project Manager for EWI.
- ~ December 2002 - Shehnaz Atcha traveled to India to meet with partners and hold the strategic planning meeting with core partners. Meetings also took place with Shashi Shekhar of the BEE to strategize how EWI and BEE could be supportive rather than competitive and with USAID India and US-AEP India partners in Delhi and Mumbai. Additional meetings were also held with local experts and EWI partners in Delhi and Mumbai, including a tour of the Johnson & Johnson Mumbai facility, and a discussion of the EWI national launch with US-ERC.

Meeting with BEE: The BEE is focusing its efforts on six of the sixteen sectors defined as 'designated consumers': aluminum, fertilizer, cement, pulp and paper, chlor-alkali, and chemicals. Currently, Germany's GTZ is undertaking projects in the cement, fertilizer, and chlor-alkali sectors. Mr. Shekhar requested that EWI focus in particular on the aluminum and pulp and paper sectors, and supported our pursuit of energy efficiency standards for hotels as a subset of the commercial building sector. This is a significant change from the initial design of the EWI project, in that there will be a focus on process efficiency rather than simple building envelope improvements. While this requires more technical expertise, process improvements also hold the greatest opportunities for energy efficiency improvements. Task forces have already been established in the aluminum and pulp and paper sectors, and participating companies have agreed in principle to energy efficiency

improvements. However, while companies have come forward to share with specific case studies, there is no cohesive database to track activities, establishment of best practices, or training programs. Additionally, a task order funded under USAEP TSSC has been given to CERF/IEEC to concentrate on the Indian hotel sector.

Mr. Shekhar also asked that the EWI program work as closely as possible with the BEE to support the national energy efficiency strategy. A constructive and supportive working relationship with Mr. Shekhar and the BEE is necessary to the success of the EWI program as companies will not participate in an energy efficiency program that competes with an already established national program. By supporting BEE, EWI will greatly expand its population of participating companies in its sectors. In addition, Mr. Shekhar has agreed to allow EWI to access task force members directly and encourage companies to participate. BEE has also agreed to establish EWI sector awards, open only to EWI member companies, as part of the national Ministry of Power awards program.

Strategic Planning Meeting: On December 7th HINDALCO hosted the EWI Strategic Planning Meeting at the Confederation of Indian Industry Conference Center in Delhi. This was a key meeting, and was attended by the project's primary partners:

- ~ Shashi Shekhar, Director General, Bureau of Energy Efficiency, Government of India;
- ~ K.K. Chakarvarti, Energy Economist, Bureau of Energy Efficiency, Government of India;
- ~ K.P. Nyati, Head of the Environment Management Division, Confederation of Indian Industry (CII);
- ~ M.A.J Jeyaseelan, Senior Secretary, Federation of Indian Chambers of Commerce and Industry (FICCI);
- ~ Nazeeb Arif, Secretary-General, Indian Chamber of Commerce (ICC);
- ~ Raturaj Govilkar, Manager, Indo-American Chamber of Commerce' US-Environmental Resource Center (US-ERC);
- ~ I.L. Jain, R&D Manager, HINDALCO, R.B. Salaskar, Process Engineering Manager, Johnson & Johnson India;
- ~ Ashok Sarkar, USAID India;
- ~ Subrata Mazumder, Technical Manager, US-AEP India.

The results of the strategic planning meeting were that EWI would focus on the following areas:

1. Develop a subset best practices for each sector that focus on opportunities with the greatest efficiency and cost saving potentials;
2. Identify and support two energy audit demonstration projects from the aluminum and pulp and paper sectors, and one from the hotel sector;
3. Develop workshops with training materials related to findings.

The findings from EWI activities will provide the basis of BEE's performance standards in these sectors.

In addition, the database development and tracking of best practices and actions plans that are included in Louis Berger's EWI contract with USAID will be meshed with the BEE tracking database for these sectors. EWI will essentially track all energy efficiency activities in the sectors for all BEE participating companies in order to develop sector benchmarks. This will allow the EWI program to have extensive quantitative data on energy efficiency activities and the impacts of the EWI program and associated materials and workshops.

Next Steps:

With a strategic course established for the project, the next steps are to:

- ~ Assign specific activities and roles for all partners, including the establishment of workgroups in each sector;
- ~ Organize the national launch of the EWI project to bring attention to the project and establish EWI as a resources;
- ~ Identify additional partners for the project.

The US-ERC has proposed that EWI launch its activities in conjunction with ENERGIUM 2003, an energy efficient products and technology expo that will be taking place in Mumbai from April 4 through 7. The proposal is that EWI hold a one day symposium on April 4 to open the expo. Current proposals for panels include a policy plenary to be chaired by Shashi Shekhar, a general session on energy efficiency challenges and opportunities to be moderated by R.B. Salaskar of Johnson and Johnson, and a session or lecture by Dr. Jigar Shah of PACE Global Energy Services.

With the refocus on process opportunities in the aluminum and pulp and paper sectors, additional expertise is required by an energy company with experience in these areas. To that end, it is anticipated that PACE Global Energy Services will join the team to provide technical assistance for the project and contribute speakers and materials for the EWI launch and executive roundtable. PACE has worked extensively in the aluminum and pulp and paper sectors and has also worked with USAID India on previous projects. Dr. Jigar Shah will be the main point of contact for PACE. A workplan for PACE are currently being drafted for USAID's review.

Deliverables in Process:

- ~ Designing web site and data base to track corporate action plans
- ~ Developing Executive Workshop
- ~ EWI brochure
- ~ EWI white paper on energy efficiency in India and EWI

Planned Activities for 1st Quarter 2003:

- ~ Planning for EWI national launch and symposium
- ~ Deciding on appropriate best practices to pursue in each sector
- ~ Sector workgroup meetings
- ~ Shehnaz Atcha trip to India to conduct workgroup meetings, prepare for launch, and meet with new partners