

**Implementation Status & Results
China
Thermal Power Efficiency (P098654)**

Operation Name: Thermal Power Efficiency (P098654)	Project Stage: Implementation	Seq.No: 4	Status: ARCHIVED	Archive Date: 12-Nov-2012
Country: China	Approval FY: 2009			
Product Line: Global Environment Project	Region: EAST ASIA AND PACIFIC	Lending Instrument: Specific Investment Loan		
Implementing Agency(ies): Ministry of Finance, Shanxi Provincial Finance Bureau, Shandong Provincial Finance Bureau, Guangdong Power Grid Company				

Key Dates

Board Approval Date	05-May-2009	Original Closing Date	31-Dec-2012	Planned Mid Term Review Date	12-Mar-2012	Last Archived ISR Date	10-Apr-2012
Effectiveness Date	15-Sep-2009	Revised Closing Date	31-Dec-2012	Actual Mid Term Review Date	17-Feb-2012		

Global Environmental Objectives

Global Environmental Objective (from Project Appraisal Document)

The project development objective is to reduce coal consumption and GHG emission per unit of electricity production in Shanxi Province, Shandong Province and Guangdong Province in China, through (i) mitigating the financial barriers of closing inefficient small-sized coal-fired units; (ii) demonstrating the viability of investments in efficiency improvements in existing mid-sized thermal units; and (iii) developing effective regulations to implement the pilot ESD programs and conducting studies to support the transition to efficient generation dispatch.

Has the Project Development Objective been changed since Board Approval of the Project?

Yes No

Component(s)

Component Name	Component Cost
1. Mechanisms to support the closure of inefficient small coal-fired generation units	9.50
2. Demonstration of power plant efficiency improvement	3.59
3. Transition to efficient generation dispatch	4.07
4. Technical Assistance for Project Implementation	1.27
5. Project Management	0.41

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of GEO	Moderately Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Moderately Unsatisfactory	Moderately Satisfactory
Overall Risk Rating		Moderate

Implementation Status Overview

The project implementation has been accelerated and substantial progress has been made in 2012: (i) total commitment increased from 55% in end 2011 to 88% by end September 2012, exceeding the PMO's target of 87%; and total eligible disbursement increased from 41% in end 2011 to 70% by end September 2012; and (ii) a dissemination plan has been agreed with the Bank team to disseminate the outputs of the project activities to a wider audiences. The project development objectives will most likely to be met.

Locations

Country	First Administrative Division	Location	Planned	Actual
China	Shanxi Sheng	Shanxi Sheng		
China	Shandong Sheng	Shandong Sheng		
China	Guangdong Sheng	Guangdong Sheng		

Results

Global Environmental Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Reduction in average coal consumption per unit of coal-fired electricity output in selected provinces	<input type="checkbox"/>	Text	Value	SX: 373 SD: 382 GD: 342		SX: 357 SD: 369 GD: 332
			Date	31-Dec-2007	31-Dec-2011	31-Dec-2012
			Comments	gce/kWh	gce/kWh	gce/kWh
Reduction of GHG emission per unit of coal-fired electricity output in selected provinces	<input type="checkbox"/>	Text	Value	1020 in Shanxi 1045 in Shandong 935 in Guangdong		SX: 977 SD: 1009 GD: 908
			Date	31-Dec-2007	31-Dec-2011	31-Dec-2012
			Comments	kg CO2/MWh	kg CO2/MWh	kg CO2/MWh

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Cumulative capacity of small thermal units closed down	<input type="checkbox"/>	Text	Value	SX: 1007 SD: 1717		SX: 2870 SD: 4300
			Date	31-Dec-2007	31-Dec-2011	31-Dec-2012
			Comments	MW	MW	MW
CHP on-line Monitoring System operational	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	31-Dec-2007	31-Dec-2011	31-Dec-2012
			Comments		the CHP on-line monitoring systems in both Guangdong and Shandong have been installed and operated.	

Increase in thermal efficiency of targeted plants/units	<input type="checkbox"/>	Text	Value	Yanggao: 35.3% Huangtai: 40.3% Beijiao: 57.0%		Yangguang: 35.8% Huangtai: 44.4% Beijiao: 66.8%
			Date	31-Dec-2007	31-Dec-2011	31-Dec-2012
			Comments		actual efficiency of the participating power plants.	
Annual coal savings and GHG emissions reduction from targeted plants/units	<input type="checkbox"/>	Text	Value			Yangguang: 0.04 mtce (coal), 0.11 mtons (CO2) Huangtai: 0.17 mtce (coal), 0.47 mtons (CO2) Beijiao: 0.06 mtce (coal), 0.16 mtons (CO2)
			Date		31-Dec-2011	31-Dec-2012
			Comments		million tons of coal equivalent (mtce), million tons of CO2	
Operation of dispatch simulation system	<input type="checkbox"/>	Yes/No	Value		No	Yes
			Date		31-Dec-2011	31-Dec-2012
			Comments		the procurement of the simulation system is not completed.	
Implementation of information disclosure regarding energy saving dispatch	<input type="checkbox"/>	Yes/No	Value		No	Yes
			Date		31-Dec-2011	31-Dec-2012
			Comments		the study on information disclosure of energy saving dispatch is completed, but not implemented yet. SERC is consulting with the stakeholders on details on implementation.	

Data on Financial Performance (as of 26-Jun-2012)

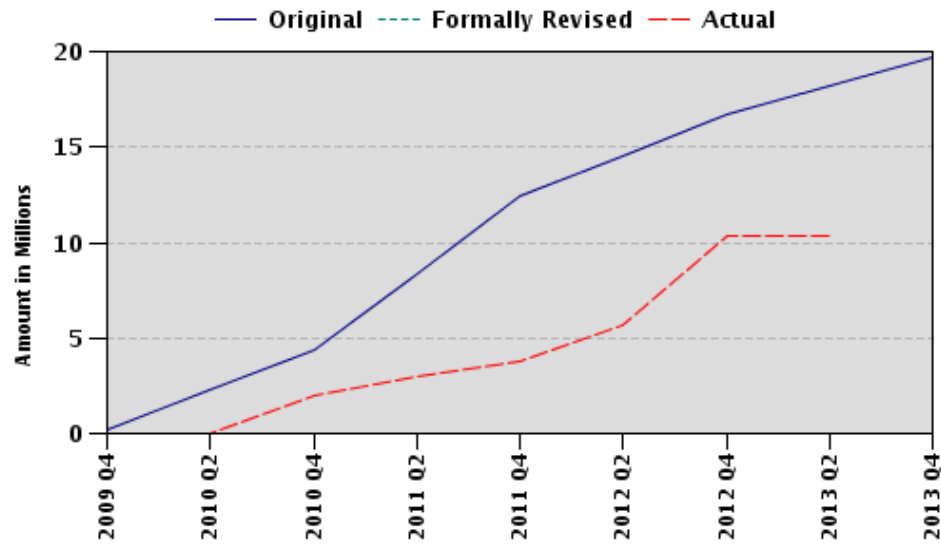
Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P098654	TF-94204	Effective	21-Jun-2009	21-Jun-2009	15-Sep-2009	31-Dec-2012	31-Dec-2012

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P098654	TF-94204	Effective	USD	19.70	19.70	0.00	10.38	9.32	53.00

Disbursement Graph



Key Decisions Regarding Implementation

The Bank team has conducted due diligence work for the three new proposed power plants since June 2011 and consider they are acceptable. The environmental management plans and due diligence reports have been disclosed locally and in infoShop.

Restructuring History

There has been no restructuring to date.

Related Projects

There are no related projects.