



India: IND: DAHEJ LNG TERMINAL EXPANSION PROJECT

Project Name	IND: DAHEJ LNG TERMINAL EXPANSION PROJECT		
Project Number	39921-014		
Borrower/Company	PETRONET LNG LTD		
Country	India		
Location	Dahej, Gujarat, India.		
Approval Number	7245/2256		
Type or Modality of Assistance	7245	Loan	INR 6,750.00 million Committed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development		
Sector / Subsector	Energy - Conventional energy generation		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Infrastructure Finance Division 1		
Responsible ADB Officer	Gulshan, Karan Raj		
Project Sponsor(s)	Petronet LNG Limited		
Description	PLL owns and operates India's first liquefied natural gas (LNG) import and regasification terminal, which started commercial operations on 9 April 2004. In the first phase, the terminal had a capacity of 5 million metric tons per annum (MMTPA). PLL imports LNG mainly from Ras Laffan Liquefied Natural Gas Company Limited (II) (Rasgas) in Qatar. PLL regasifies the LNG and sells to GAIL (India) Ltd., Indian Oil Corporation Ltd. (IOC) and Bharat Petroleum Corporation Ltd. (BPCL). GAIL, IOC, and BPCL in turn sell the gas to industrial end users. PLL has recently completed its expansion plan which has increased its capacity to 10 MMTPA.		
Objectives and Scope	The Dahej LNG terminal expansion will help meet growing energy demand in North and West India, enhance energy security by diversifying the energy base, contribute to economic development by providing additional, lower-cost, and environmentally sustainable alternate input to the oil, power, fertilizer, and transport sectors, promote the use of clean energy, and provide an example of good practice in public-private partnership in infrastructure development.		
Linkage to Country/Regional Strategy	The Project is in line with ADB's India country strategy and energy sector strategy, which promote creating clean energy infrastructure for sustainable economic growth involving private sector.		
Status of Development Objectives	Since the first phase commercial operations started in April 2004, Petronet has already fulfilled all the main development objectives envisaged, i.e. provide additional, lower-cost, and environmentally sustainable alternate input to major industries, diversify the energy base, promote the use of clean energy, and form a good practice in PPP.		
Material Changes	In May 2007, the structure of the ADB loan was revised from limited recourse financing for the Dahej expansion project to a corporate loan. This was due to the rapid expansion of PLL operations after ADB approval in August 2006, which included construction of the new LNG terminal at Kochi. This terminal was completed in December 2012.		

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	During operation, the only cumulative environmental impacts of the Project will be increased gaseous emissions from the additional gas turbine generators and vaporizers. Nitrogen oxides, the major air pollutant, will be controlled through the use of lean-burn technology in the gas turbine generators and the high stacks for rapid dispersion of emission. The major risks for LNG terminal operations are pool-fire and vapor dispersion in case of LNG spills or leakage from the storage tanks, pipelines, and process equipment. PLL will comply with the well-established industry standards for design, construction, and operations of LNG terminal facilities, as well as emergency response and disaster management plan and procedures, which have been adopted since the first phase of the terminal.
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	Public consultation was carried out before the implementation of the first phase terminal also covering the proposed expansion to 10 MMTPA. Announcements were made in the local newspapers and on the website of the Ministry of Environment and Forests for public comments. No objections were raised in these processes.

Timetable for assistance design, processing and implementation

Concept Clearance	16 Aug 2005
Due Diligence	23 Mar 2006
Credit Committee Meeting	04 Jul 2006
Approval	30 Aug 2006
PDS Creation Date	10 Jul 2006
Last PDS Update	29 Sep 2014

Project Page	https://www.adb.org/projects/39921-014/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=39921-014
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