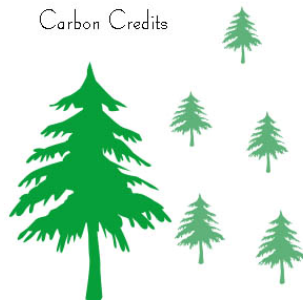


BBMB Earns Carbon Credits by capacity addition of 90 MW at Bhakra Power House



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Clean – Development – Mechanism (CDM)

The Green House Gases (G.H.G) namely Carbon Dioxide, Methane, Nitrous Oxide, Hydro Fluoro Carbons, Perfluorocarbons, Sulphurhexafluoride are leading to climate changes and global warming. Efforts are being made to reduce the emission of these Green House Gases. UNFCCC (United Nation's Framework Convention on Climate Change) has adopted under Kyoto Protocol signed in Feb.2005 by 140 Nations, an international agreement that sets emission reduction targets (5.4% reduction of emission of G.H.G. from their 1990 levels during the 1st commitment period of 2008-12). CDM is one of the methods adopted by the nations of the world for making their emission related commitments.

The CDM Project actively generates tradable **carbon credits** or CERs (Certified Emission Reductions) which can be traded internationally in analogy like share in stock market. BBMB also qualifies to meet the CDM Project criteria, namely:-

1. RM&U activities were not '**Business as usual**' feature where BBMB had to stay in business but were additional.
2. Environmentally the project activity leads to lesser generation of fossil fuel based electricity which would have contributed to additional GHG emission.
3. Also the CDM project is a voluntary participation by BBMB.
4. CDM project contributes to sustainable development of the region.

It is projected that by the end of year 2013, RM&U capacity addition of **90.00MW** will be completed and a revenue of approximate **13 crore** will be generated from the sale of 2,40,000 CERs up to December 2013..

CDM Project for sale of Certified Emission Reductions (CERs) generated by Renovation, Modernization and Uprating program of BBMB for its Hydro Power stations with World Bank has been undertaken by BBMB. Host Country approval has been accorded by Ministry of Environment & Forests (MoE&F).

An Emission Reduction Purchase Agreement (ERPA) with World Bank has been signed by BBMB for the sale of 2,40,000 CERs @ Euro 9/CER upto Dec. 2013. Registration for the sale of CERs is awaited from UNFCCC. Process for signing of second ERPA for the sale of 5,65,000 CERs starting from 31st Dec. 2013 has been initiated.

What is Carbon – Credit

As nations have progressed we have been emitting carbon, or gases which result in warming of the globe. Some decades ago a debate started on how to reduce the emission of harmful gases that contributes to the greenhouse effect that causes global warming. So, countries came together and signed an agreement named the Kyoto Protocol.

The Kyoto Protocol has created a mechanism under which countries that have been emitting more carbon and other gases (greenhouse gases include ozone, carbon dioxide, methane, nitrous oxide and even water vapour) have voluntarily decided that they will bring down the level of carbon they are emitting to the levels of early 1990s.

Developed countries, mostly European, had said that they will bring down the level in the period from 2008 to 2012. In 2008, these developed countries have decided on different norms to bring down the level of emission fixed for their companies and factories.

A company has two ways to reduce emissions. One, it can reduce the GHG (greenhouse gases) by adopting new technology or improving upon the existing technology to attain the new norms for emission of gasses. Or it can tie up with developing nations and help them set up new technology that is eco-friendly, thereby helping developing country or its companies 'earn' credits.

India, China and some other Asian countries have the advantage because they are developing countries. Any company, factory or farm owner in India can get linked to United Nations Framework Convention on Climate Change and know the 'standard' level of carbon emission allowed for its outfit or activity. The extent to which I am emitting less carbon (as per standard fixed by UNFCCC) I get credited in a developing country. This is called carbon credit.

These credits are brought over by the companies of developed countries – mostly Europeans – because the United States has not signed the Kyoto Protocol