

# The green alliance

## The Shared Energy Centre in Neemrana could encourage more private-public partnerships

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**A**T A time when economic recession has hit almost every nation, the government and industry in India should evolve their attitudes on public-private partnerships (PPP). This will forge economic cooperation that will catalyse the next generation of sustainable industrialisation and ensure employment creation in India.

Consider the case of Neemrana, Rajasthan. This 15th century fort-palace is also home to perhaps the first country-specific industrial area, the Japan Investment Park, which is harnessing public-private partnership to create unique opportunities for sustainable economic development.

The Japanese factories in the investment park have come together to develop a Shared Energy Centre (SEC) that will encourage development and foreign investment by creating, and offering, efficient sources of power. The project lowers the cost of producing electricity and limits the use of natural resources. Hence, factories are able to bring about improved standards of living while protecting the environment. This project is an example of international collaboration that triggers industrialisation in places that normally could not support it.

The SEC uses gas turbines fueled by natural gas from a new GAIL pipeline. Existing diesel generators of each company will be used concurrently, governed by an advanced operating control system that will optimise power supply. The plant will also be linked to the transformer substation of the public grid. So, various companies will be able to draw power

whenever they need it. Thus, this system significantly minimises environmental disruption by reducing water usage and adoption of cleaner natural gas. In doing so, the SEC allows investors to realise maximum value. This approach is an excellent model for power infrastructure that can be replicated across the country and, in fact, in other developing countries.

The basic plan for the SEC envisions a plant where all users are investors and are responsible for its efficient management. It's a new approach to turn private power generation into a non-profit venture. Members will have

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vast incentives to operate the plant as efficiently as possible, and to invest in new, more efficient technologies. This is a key area where government support of basic infrastructure can boost the projects promoting commercial efficiency.

However, the global economic crisis has created uncertainties in the job sector. The Rajasthan government has been asked to consider investment in the project through state-owned entities, such as RIICO, and with disbursement of low-interest loans and land. The government has been asked to consider natural gas supply at competitive prices. The Japanese government and international organisations such as UNDP and UNIDO should help as well, given the potential for the project to be a model for other nations.

With the support of government and innovation of private enterprise, there must be many other such PPP projects that can help spur environment-friendly industrialisation for job creation.