



News Release

Trane India Private Limited Signs MOU with IDBI Bank to Implement World Bank's India Chiller Energy Efficiency Project

-Project to stimulate replacement of CFC-based chillers to environment friendly, energy efficient, chilled water systems-

Mumbai, August 17, 2010: Trane India, a leading integrated heating, ventilating, air-conditioning (HVAC) company and a part of the Ingersoll Rand group of companies, has signed a memorandum of understanding (MoU) with IDBI Bank Limited for the India Chiller Energy Efficiency Project (ICEEP).

The government of India and the World Bank launched the ICEEP to stimulate the accelerated replacement of existing CFC based (R11 and R12) centrifugal chilled water systems to new non-CFC (such as HCFC 123 or HFC 134a) centrifugal or screw chilled water systems. Modern chilled water systems carry the additional benefit of being more energy efficient. The ICEEP aims to achieve this replacement through the provision of financial incentives to chilled water system owners to help them address upfront capital cost and perceived technological risks.

“As an Ingersoll Rand brand, Trane is committed to operating in a manner that protects our environment and benefits our clients,” said **Rajesh Sikka, business leader for Trane in India**. “Our company’s partnering with IDBI on the ICEEP is another step in that direction. Working towards phasing out harmful refrigerants such as CFCs is one of our key sustainability initiatives. HCFC123 with its very low ozone depletion potential (ODP) and very low global warming potential (GWP) minimizes environmental impact and helps chillers achieve significantly higher energy efficiency and near zero leakage rates. Trane and Ingersoll Rand have been driving many sustainability initiatives in India and have taken a leadership role in working with the government and other key stakeholders towards implementing initiatives that help protect the environment.”



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IDBI is the project implementing entity for ICEEP. As per the MoU, ICEEP will provide financial incentives to replace about 370 chilled water systems during the life of the project from 2009 to 2013. Eligible beneficiaries are provided incentives on a first-come-first serve basis. Under option 1, the chilled water system owner at the time of installation will receive an up-front grant subsidy of 20 percent of the cost of the new non-CFC centrifugal or screw chilled water systems.

Participating owners will be required to surrender future carbon credits during the project period. Alternatively, under option 2, beneficiaries are eligible to receive around 60 percent of Clean Development Mechanism (CDM) revenue annually. The sale of Certified Emission Reductions (CERs) from the new chillers will achieve actual energy savings and generate this 'revenue'.

Under the project, it is expected that the replacement of existing inefficient CFC- based centrifugal chilled water systems with new non-CFC based energy efficient centrifugal or screw chilled water systems, will enable beneficiaries to recover their initial investment within a simple payback period of approximately three to three and half years, based on estimated energy savings of up to 30 percent. It is believed that this combination of economic payback and environmental responsibility will make this an attractive proposition for the many owners of aging CFC cooling plants.

About Trane

Trane, a business of Ingersoll Rand - the world leader in creating and sustaining safe, comfortable and energy efficient environments - improves the performance of homes and buildings around the world. Trane solutions optimize indoor environments with a broad portfolio of energy efficient heating, ventilating and air conditioning systems, building and contracting services, parts support and advanced control. For more information, visit www.trane.com.

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