



Partnership to Advance Clean Energy-Deployment (PACE-D)
Technical Assistance Program

Clean Energy Finance

Facilitating Investment for Clean Energy Projects

The PACE-D TA Program is focusing on transforming the clean energy finance market in India by identifying innovative global financing mechanisms and assisting in developing sustainable financing policies to accelerate clean energy deployment and financing in India.

The program consulted various Energy Efficiency (EE) and Renewable Energy(RE) stakeholders and conducted research to understand the existing barriers to clean energy financing in India. Based on the research and feedback from stakeholders, a report was developed on India's EE and RE financing landscape with specific recommendations on new financing mechanisms. A consultative process was adopted to share the recommendations with project developers and financing institutions to obtain their feedback on the practicality of these instruments. The program has also established advisory teams for EE and RE finance comprising of investors, technology experts, government representatives, etc. The advisory team meets every quarter to provide guidance to the program on clean energy financing.

The activities are currently focused on designing and implementing the proposed financing mechanisms. The top priority mechanisms include: off-grid RE fund, infrastructure debt fund, corporate energy audit program and green bonds. The program team is working closely with public and private organizations including Solar Energy Corporation of India (SECI), Indian Renewable Energy Development Agency (IREDA), Energy Efficiency Services Limited (EESL) and Tata Cleantech Capital to explore potential hosts/anchors for the proposed financing mechanisms.

The program is also working with select banks and financial institutions to implement the proposed innovative financing mechanisms. The training will be done via technical workshops to strengthen the capacity of institutions to understand benefits, risks and cash flows associated with EE and RE. Similarly, the program will help clean energy project developers to improve their ability to develop project proposals, and enhance their ability to secure project finance.

Innovative Financing Mechanisms	
<p>Energy Efficiency</p> <ul style="list-style-type: none"> • State-Level Clean Energy Funds using the Public Benefit Charge (PBC) Concept • Mainstreaming EE in Corporate Loans • Energy Savings Insurance (ESI) Facility • Standard Offer Program (SOP) • Energy Efficiency Obligations (EEOs) • Clean Energy Financing Facility • Priority Lending Sector (PSL) 	<p>Renewable Energy</p> <ul style="list-style-type: none"> • Off-Grid RE Fund • Green Bonds • Risk Insurance • Infrastructure Debt Fund (IDF) • Renewable Energy Certificates (REC) Market Maker. • Tax Efficient Trusts • Tradable AD Tax Credits

Key Deliverables

- Reports on lessons learned from international and Indian experience in RE and EE financing mechanisms.
- Three innovative financing mechanisms for RE and two for EE.
- Training workshops to strengthen capacity of local financial institutions and project developers.

Key Activities and Progress

- Launched reports on EE and RE financing.
- Organized two finance advisory team meetings for EE and RE.
- Developed concept note for off-grid RE fund and green bonds.
- Identified Tata Cleantech Capital for pilot on corporate energy audit program.

Program Overview

The PACE-D Technical Assistance Program is a part of the overall Partnership to Advance Clean Energy (PACE) initiative, the flagship program under the U.S.-India Energy Dialogue. The five year program, implemented in collaboration with the Ministry of Power and Ministry of New and Renewable Energy, has three key components: Energy Efficiency, Renewable Energy and Cleaner Fossil Technologies. Within each of these components, the program's focus is on institutional strengthening, capacity building, technology pilot projects, innovative financing mechanisms and increasing the awareness of clean energy technologies. Please access www.pace-d.com for additional information.

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