



Bureau of Energy Efficiency



सत्यमेव जयते  
Government of India  
Ministry of Power



**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

# ANGAN

## Augmenting Nature by Green Affordable New-habitat

A Courtyard for Revolutionary Change in Building Energy Efficiency  
An International Conference on Building Energy Efficiency

9<sup>th</sup>-11<sup>th</sup> September, 2019 | Hotel The LaLiT, New Delhi





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THIS PRESENTATION WAS SHARED BY

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Joint Director, BEE, New Delhi

FOR THE SESSION:

*“Market Development & Financing Mechanisms for Energy Efficiency”*

DURING ANGAN 2019

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# BEE's financing schemes

10<sup>th</sup> September 2019  
New Delhi

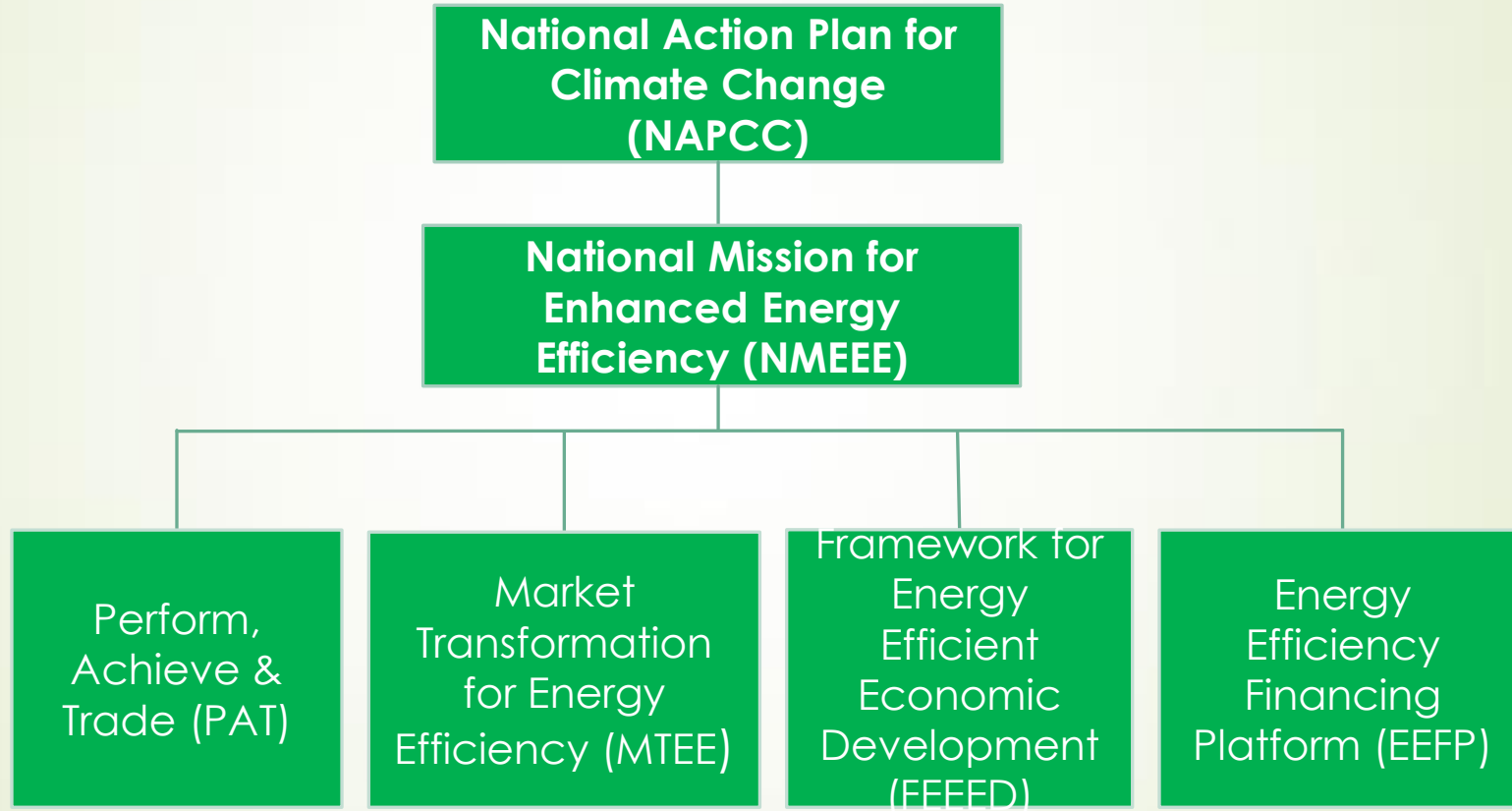
Vineeta Kanwal  
Joint Director, BEE

# Huge investment potential in Energy Efficiency

## Sector-wise Investment Potential for Energy Efficiency

Sector	Investment potential (INR Crore)
Residential	74,237
Commercial Buildings	1,139
Municipal Street lights	25,200
Agriculture	30,000
Industry	30,000
<b>Total</b>	<b>160,576</b>

# Background of BEE's financing initiatives



*“It is not by augmenting the capital of the country, but by rendering a greater part of that capital active and productive than would otherwise be so, that the most judicious operations of banking can increase the industry of the country.”*

**- ADAM SMITH**



# FEEED AND EEFP

## FEEED

PRGFEE  
PRSF

VCFEE

## EEFP

Awareness about  
EE financing

Capacity  
building of FIs

# Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE)

## PRGFEE

A risk sharing mechanism to provide FIs with a partial coverage of risk involved in extending loans for EE projects. Govt has approved around Rs. 312 crores for PRGFEE.

1

Guarantees a maximum 50% of the loan or Rs. 10 crores per project, whichever is less. In case of default, the fund will:

- Cover the first loss subject to maximum of 10% of the total guaranteed amount
- Cover the remaining default (outstanding principal) amount on pari-passu basis upto the maximum guaranteed amount

2

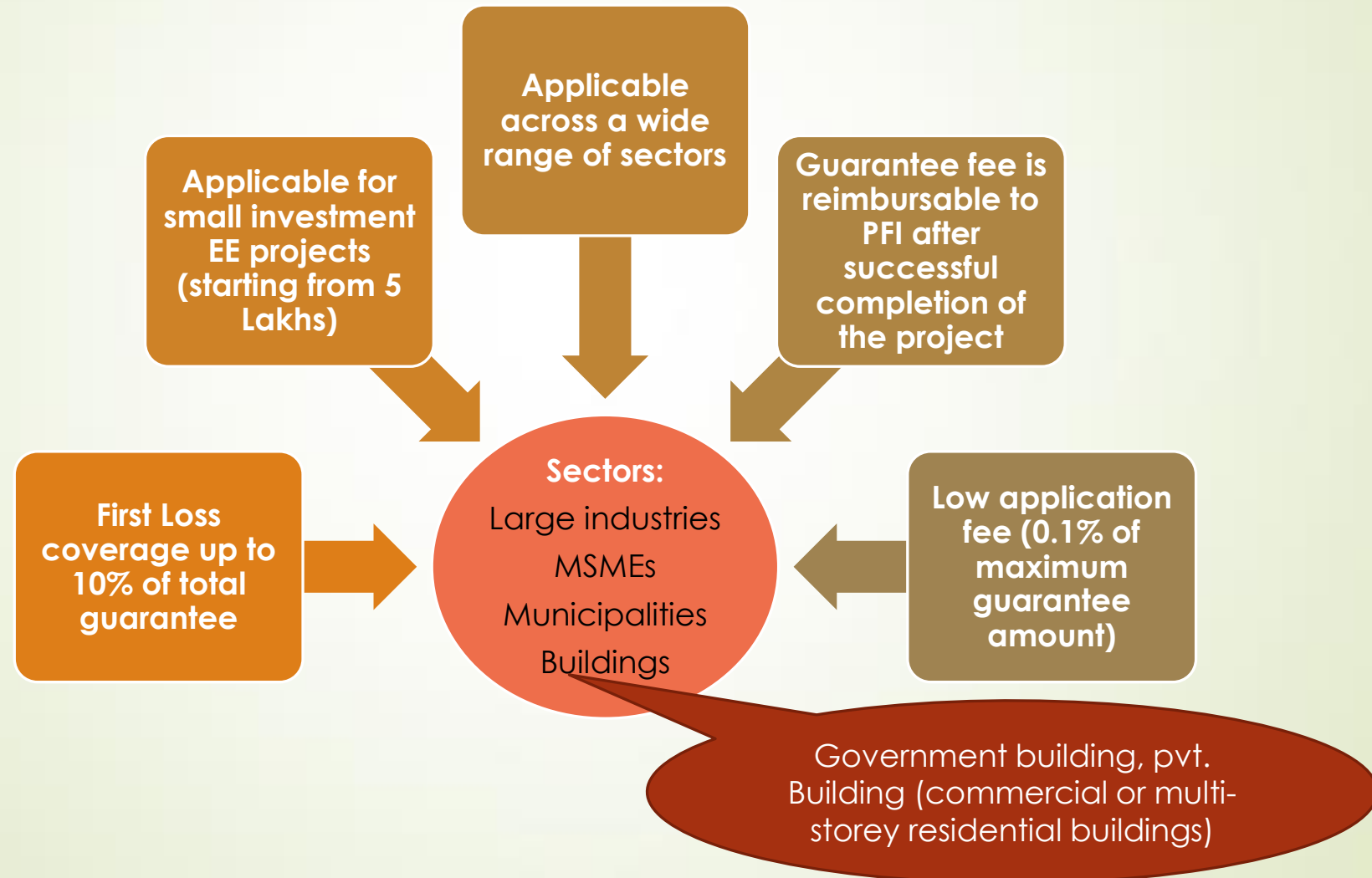
Five FIs have been empanelled under PRGFEE.



## Contact details of the participating financial institutions

S.No	Name of the Bank	Name of the Official	Contact No.	Email Id
1	<b>Andhra Bank</b>	Mr. C.S Ravi	040-23233294, 2325 2356	ifd@andhrabank.co.in
2	<b>Yes Bank</b>	Mr. Shailendra Singh	+91-11-66560563 +91-120- 4681700Extn: 551	<a href="mailto:shailendra.singh2@yesbank.in">shailendra.singh2@yesbank.in</a>
3	<b>IDFC First Bank</b>	Ms. Swati Dutt Mr. Hitesh Malhotra	+91-9971119062 +91- 8291862928	Swati.Dutt@IDFCFIRSTBANK.COM hitesh.malhotra@IDFCFIRSTBANK.COM
4	<b>Tata Cleantech Capital Ltd</b>	Mr. Sourabh Shrivastava	+91-9029005594	<a href="mailto:sourabh.shrivastava@TataCapital.com">sourabh.shrivastava@TataCapital.com</a>
5	<b>IndusInd Bank Limited</b>	Ms. Prajakta Saraph	+91-8600100964	<a href="mailto:prajakta.saraph@indusind.com">prajakta.saraph@indusind.com</a>

# Salient Features of PRGFEE



# Partial Risk Sharing Facility (PRSF)

## PRSF

A risk guarantee scheme that is available for ESCOs is the Partial Risk Sharing Facility for Energy Efficiency (PRSF). This is managed by SIDBI and specifically focuses on small and medium sized ESCOs

## Key Features Of PRSF

1

Eligible Hosts / Sectors where ESCO project is implemented

- Large industries (excluding thermal power plants)
- MSMEs
- Municipalities
- Buildings

2

Eligible EE Loans

- Loan to ESCO or host entity falling under MSME category
- Max. 75% of loan towards EE investment

# PRSF.....contd.

## Key Features Of PRSF (cont..)

4

### Extent of Coverage

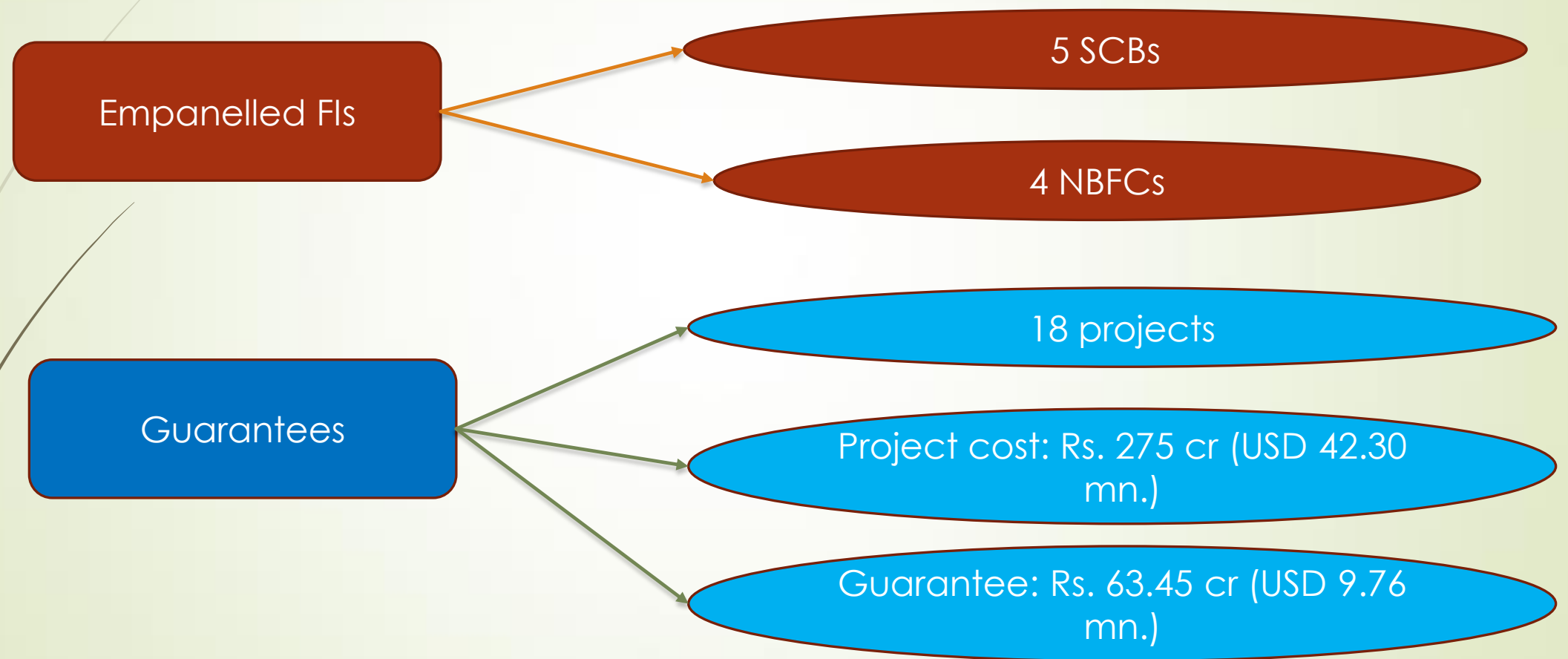
- **40-75%** of loan
- Min. loan – **Rs.10 Lakh per project**
- Max. loan – **Rs.15 cr. per project**
- Max. exposure to a single Host / ESCO – **Rs. 40 cr.**

5

### Guarantee Tenure

- 5 Years or loan tenure, whichever is lower

# PRSF - Achievements



# Energy Efficiency Financing Facility (EEFF)

- ▶ To promote direct financing of EE projects BEE has established Energy Efficiency Financing Facility (EEFF).
- ▶ Minimum threshold for EE project to be financed by IREDA is Rs. 3 crore and for PFC it is Rs. 5 crore.
- ▶ BEE is in process of establishing a PMU who will carry out technical evaluation of EE projects and will also create pipeline of EE projects.
- ▶ BEE had already initiated process of collecting proposals from various stakeholders through willingness survey (available on BEE's website and also circulated to SDAs in September 2018).

# Energy Efficiency Financing Platform (EEFP)

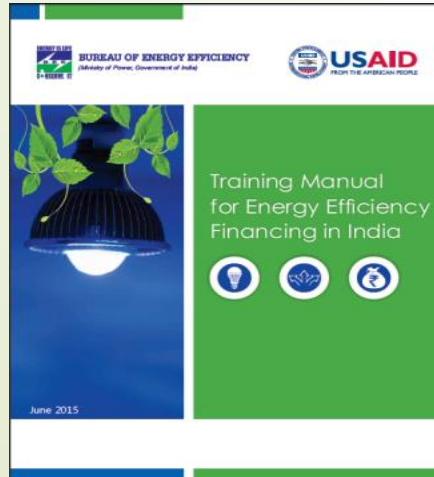
## Objective

To create mechanisms for financing EE projects/ measures and capacity building of financial institutions and industries.

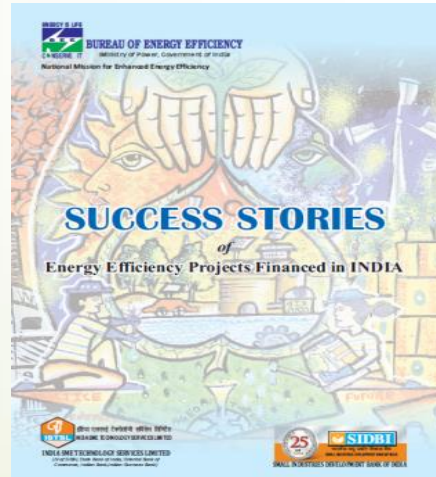
### Output 1 - Workshop

### Output 2 - Publication

#### Publication 1



#### Publication 2



#### Publication 3



#### Publication 4



# Training Programme for FIs on EE Financing

- **Capacity building of Financial institutions:** BEE completed a training programme for FIs on EE financing from June 2015 to March 2019.

## ToT workshops (2015-2017)

- Mumbai (Western)
- Nainital (Northern)
- Vijayawada (Southern)
- Kolkata (Eastern)

## Individual training workshops (2016-17)

- Canara Bank - 37
- South Indian Bank – 24

## Individual training workshops (2017-2019)

- 22 individual training workshops
- Overall achievement (2015-19):
  - ⑩ trainees : 682
  - ⑩ FIs covered: 72

BEE

USAID-  
PACE-D

IBA

SDAs

IREDA

PFIs

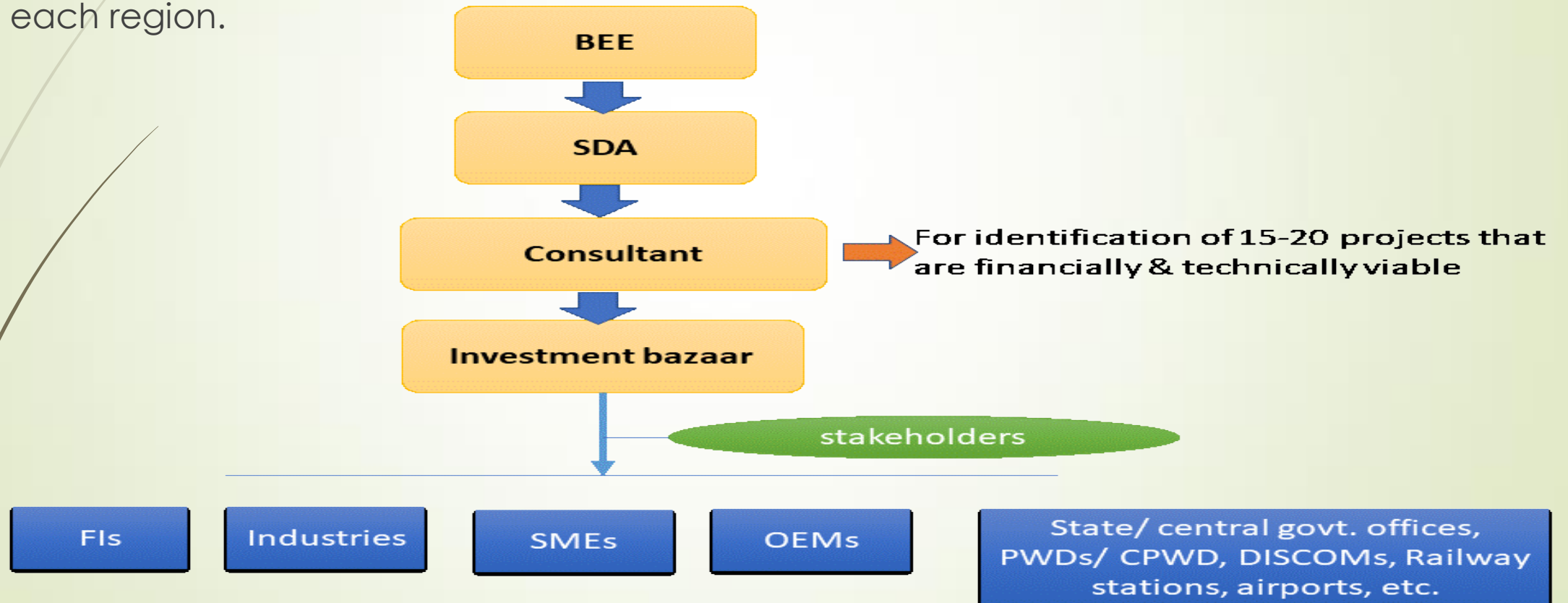
IFC

New  
PFIs

# EEFP.....contd.

## ► New initiative: Investment bazaar

BEE has taken initiative to organize 4 conferences with the name of investment bazaars in each region.





*“BE THE CHANGE  
YOU WISH TO SEE IN  
THE WORLD”*

**- MAHATMA GANDHI**

# New Financing mechanisms

INSTRUMENT		Interest Subsidy (UDIT)	Credit Linked Capital Subsidy (CLICS)	Aggregated Model for Utility based financing approach (AMULYA)	Micro Financing (FLIP)	Energy Reward Points (EnRich)
<b>PROPOSED INCENTIVES</b>		5% interest subsidy, maximum subsidy amount INR 30 Lakhs	75% capital subsidy on CapEx, maximum subsidy amount INR 25 Lakhs			
		SCBs, NBFCs and PFIs	SCBs, NBFCs and PFIs	SDA, DISCOM and OEM	SDA and MFIs	Online/Offline Retailers, SCBs, and DISCOMs
<b>BENEFICIARY</b>		<ol style="list-style-type: none"> <li>Building owners / developers</li> <li>Industry (plant owners)</li> <li>Agriculture</li> <li>Municipality</li> <li>DISCOMs</li> <li>Energy Auditors (EA)</li> </ol>	Manufacturer of EE equipment/ material – MSME & Large; Project developers for star rated EE buildings	Homeowners	Self Help Group (SHG) and Joint Liability Group (JLG)	Meter holders
<b>UNIQUE ID</b>		GST number	GST number	Customer ID of Electricity Bill	PAN Card	Customer ID of Electricity Bill
<b>APPLICABLE</b>	<b>MIN</b>	50 Lakhs for (1-5) 5 Lakhs for EAs	10 Lakhs	NA	20 thousand	NA
	<b>MAX</b>	50 Crore for (1-5) 25 Lakhs for EAs	10 Crore	Based on market assessment	1 lakhs	EnRich Points



# KFW credit line for SBI Energy Efficient Housing Programme

- Objective of this Programme is to provide concessional loans to both developers and buyers of residential homes that implement energy efficiency measures resulting at least 25% energy savings compared to reference buildings. Only new residential buildings shall be covered under this programme.
- BEE is supporting this programme
- This programme would rely on the ECBC-R tool of BEE
- In-principle approval has already been sought by DEA for this credit line
- SBI is seeking EUR 280 million for lending to EE residential building project
- NPA of direct financed energy efficient portfolio of SBI shall not exceed **5%** p.a.
- At least 25 developers shall be financed under this programme until 2024.
- At least 20 Awareness Raising events (incl. seminars and internal trainings) will be conducted during the Programme period under the Technical Assistance facility. These would include at least 10 external events.



# Thank you!

For any queries, please contact BEE on following:

**BEE's financing helpdesk:** [eefinancing.bee@gmail.com](mailto:eefinancing.bee@gmail.com)

For more information on financing initiatives, please visit BEE's website [www.beeindia.gov.in](http://www.beeindia.gov.in) (under 'Programmes' tab click 'NMEEE' followed by 'financing', which will cover 'FEEED' and 'EEFP')