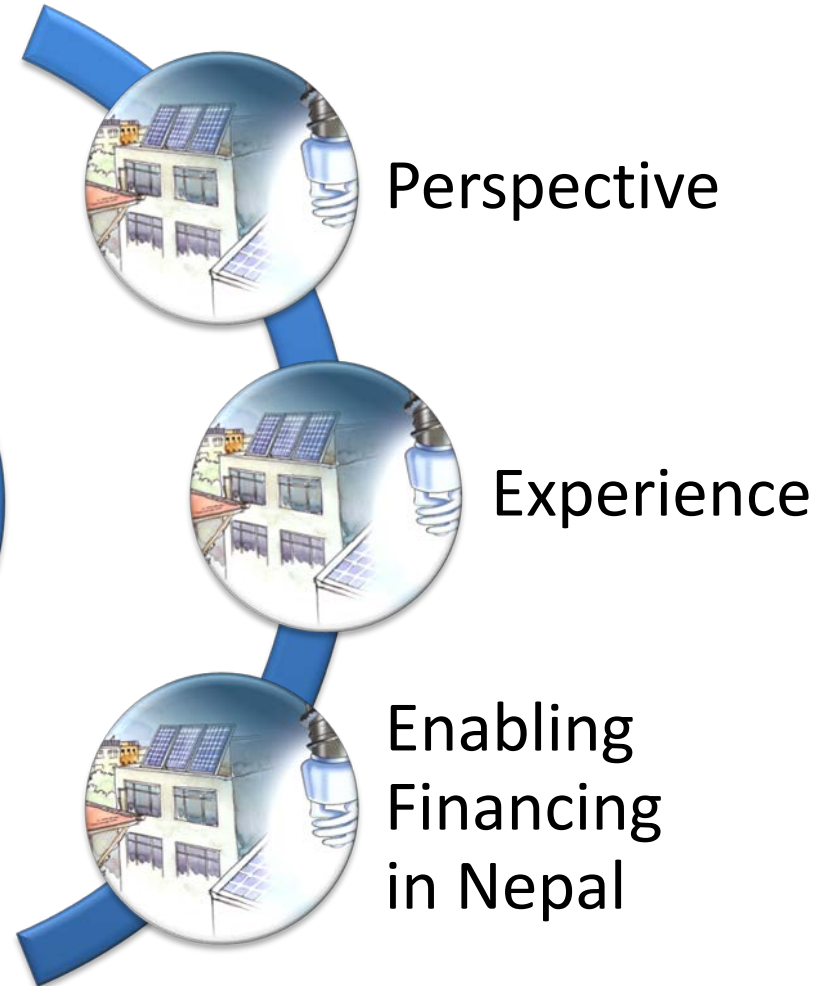




Accelerating Energy Supply Through Financing



Outline



Perspective



Private Limited company
seeking to emerge as an
Energy Service Company



Changing Lives Through Access to
Finance for Clean Energy and Water

Arc is a registered 501c (3) non-profit.

Programs under implementation

Renewable Energy Microfinance and
Microenterprise Program (REMMP)

PACE-D
PARTNERSHIP TO ADVANCE
CLEAN ENERGY - DEPLOYMENT
Technical Assistance Program

Regional experience in energy lending



Partner with wholesale lending institutions, micro-finance institutions and energy companies

Under PACE-D, \$3 million credit leveraged through 3 MFI in last 3 quarters

Investment outreach: \$30 million over 3 years for MFI energy lending

Energy lending enablers

Distributed renewable energy technologies have achieved the **point of inflection**



Energy financing could unlock Nepal's potential

Scale of opportunity for distributed RE systems in Nepal within the next 5 – 10 year

16 million have no access to electricity

14 million have access to electricity: Average household consumption per-capita **10 kWh** per-month

US \$ 4 billion

NPR 84,000 crore

2,700 MW

US \$ 8 billion

NPR 51,000 crore

1,650 MW

With financing, distributed RE systems could exceed total grid connected MW within the next 5 - 10 years

Subsidies and energy financing cannot co-exist

Kill Subsidies

Capital

Fiscal

Credit

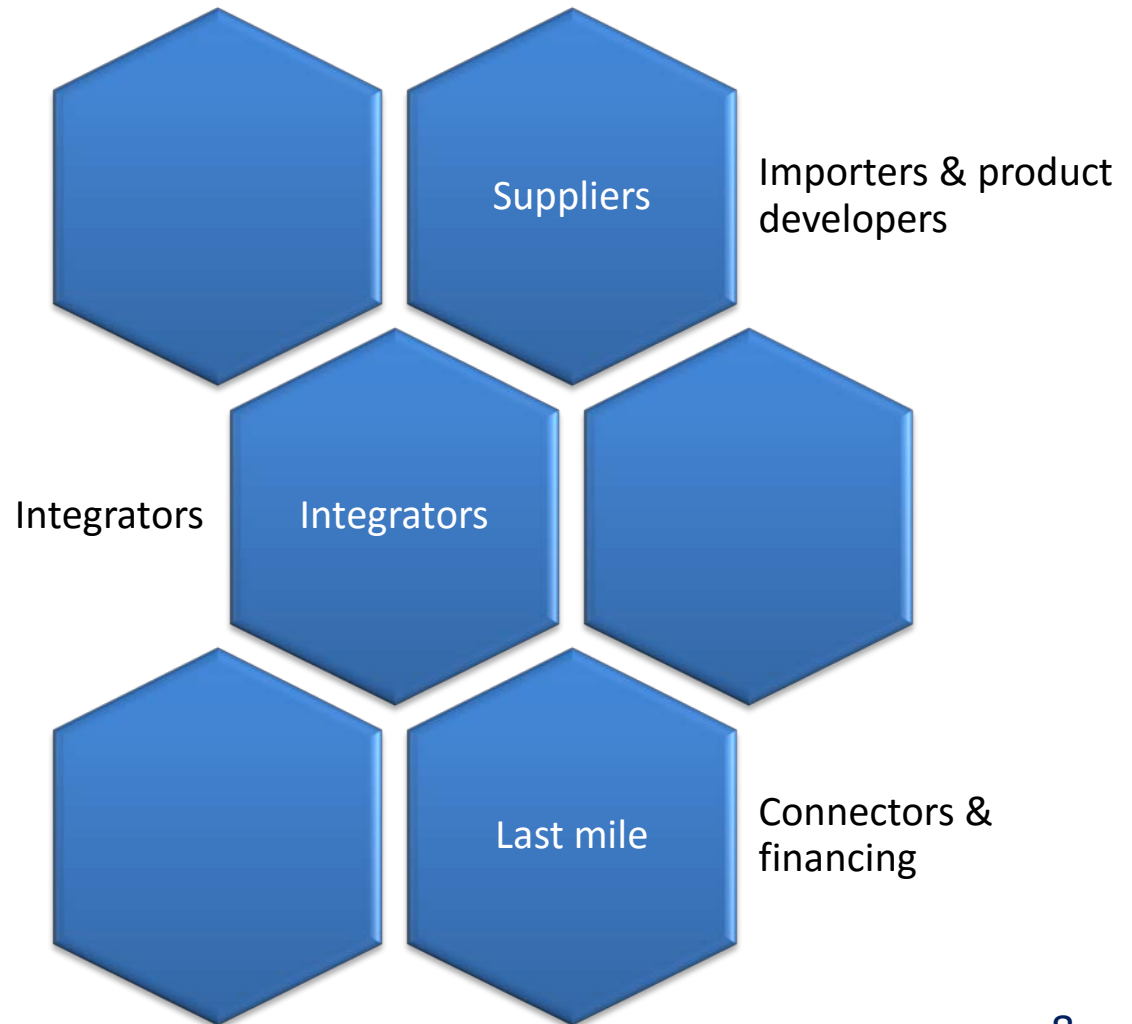
Nepali consumer will end up paying less if subsidies and associated entry barriers are removed!

Transform RETS from gate-keeper to agent for innovation, particularly on deployment

Partnerships & an energy ecosystem

Scale requires stronger partnerships

Energy companies need to help a value chain emerge



Government & donors must offer better clarity of vision




No market can compete with free money



Where do you want to be: as policy makers or market players?



Greater accountability to sector & beneficiaries



Mechanism for separating and isolating credit-risk

- End-user financing distinct from standard consumer or business financing
- Energy financing must not crowd out balance sheet of the borrowers
- Separate third-party that can isolate and hold underlying business credit-risk of borrower

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Thank you