

TATA CLEANTECH CAPITAL LIMITED

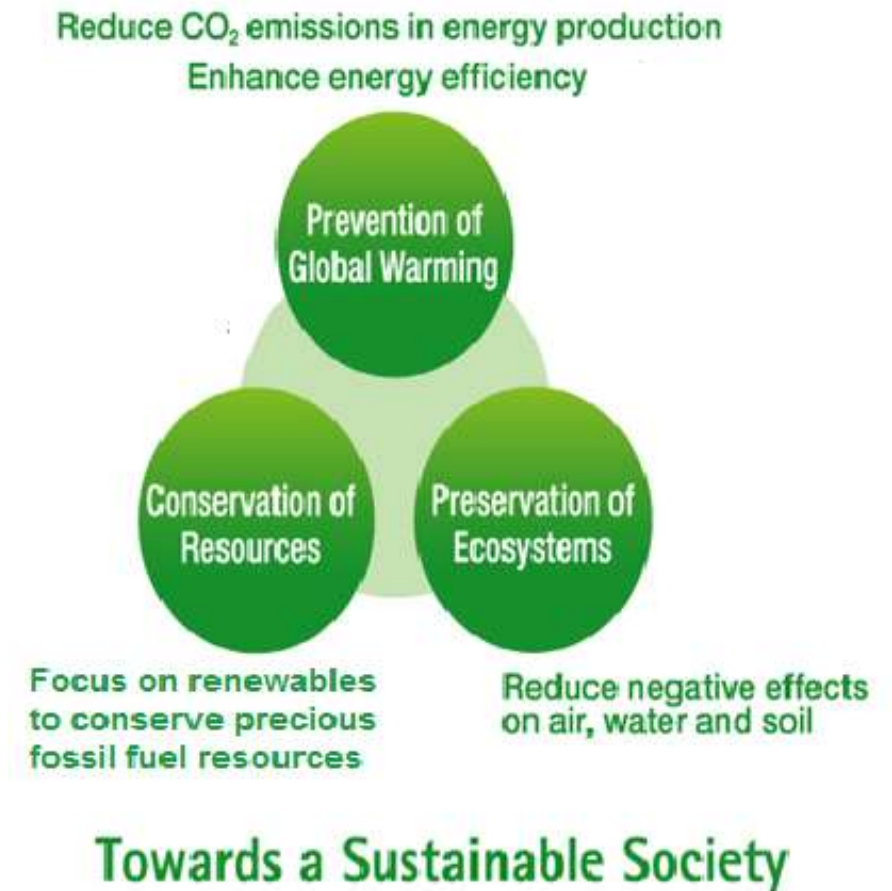
India's Leading Cleantech-focused Infrastructure Finance Company



GCF Asia Dialogue, Bali, Indonesia [April 2017]

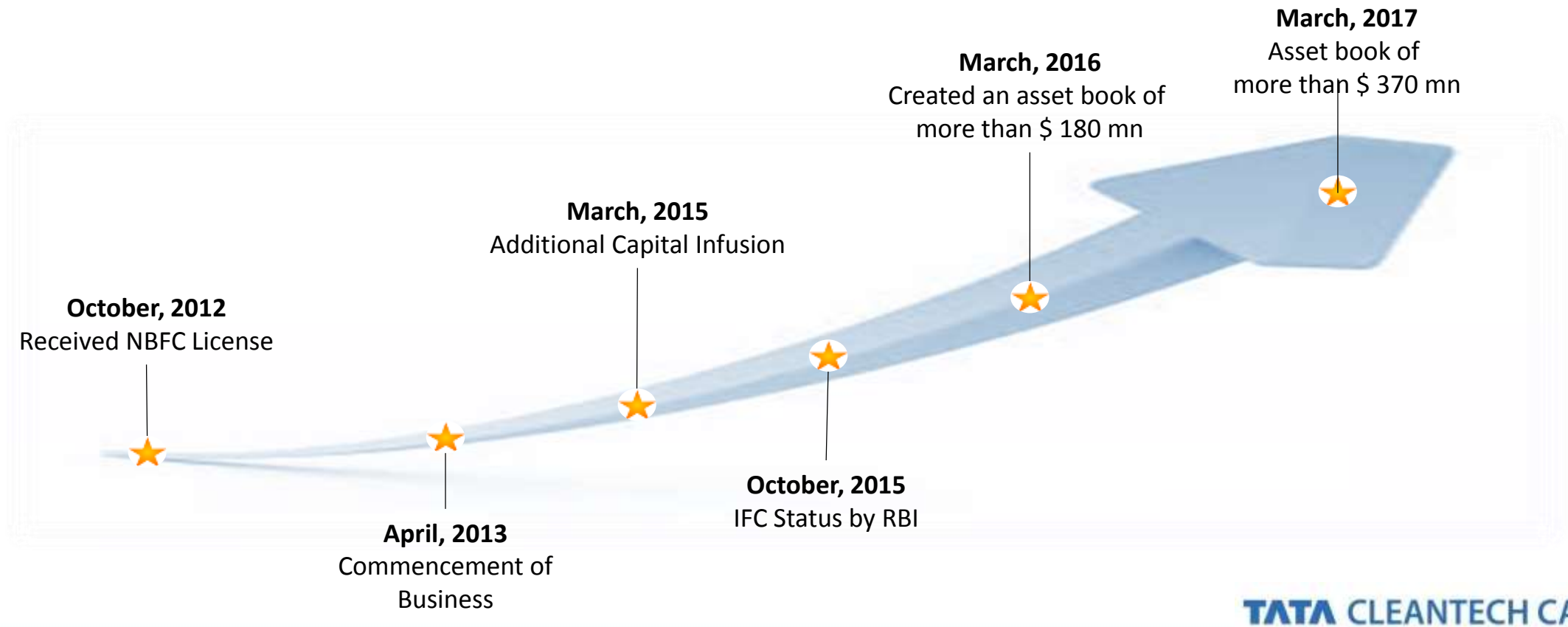
First of its kind Cleantech focused Infrastructure Finance Company

- A JV between Tata Capital Limited (TCL) and IFC(W), World Bank Group
- Established in September 2011
- Strong Parentage; 80.5% holding by TCL and the remaining 19.5% by IFC (W)
- Specialized Infrastructure Finance Company with primary focus on Cleantech funding and advisory
- Contributing to Sustainable Development
 - Participated in funding of ~3.5 GW Renewable Energy Generation – saving approximately 5 million tonne CO2 emission annually
 - Comprehensive [Eco-city](#) studies co-funded by IFC and EU



Pursuing Excellence Over The Years

- Built deep industry expertise in Cleantech space
- Created a diversified portfolio of over 90 assets with >90% exposure to renewable energy sector (primarily Wind, Solar and Hydro projects)
- **Journey so far:**



Innovative funding structure for energy efficiency; live case study

Energy saving potentials (only through LED)	
Opportunity	Upgrade existing conventional street light to energy efficient LED street light Eg: Each 70W Sodium vapour lamp can be replaced with 30W LED
Rationale	<ul style="list-style-type: none"> LEDs lead to Energy saving in the range of 40 – 50%, thus reduce electricity consumption and emissions Retrofitting conventional streetlights with LEDs could result in annual savings of 4300 mn KWh
Market Size	<ul style="list-style-type: none"> 300+ Urban local bodies(ULB) need LED upgrade Typical project/transaction size of ~\$ 10.0 mn 34 ULBs (AP, Rajasthan, Maha, WB, Tripura, MP, etc.) have issued RFPs Estimated Investment potential: ~\$ 3.0 bn
Future	100 Smart Cities announced; to have LED street Lights
Technology	Many OEM partners available for supply of Product and warranty support. Can have long term tie-ups
Funding Opportunity	<ul style="list-style-type: none"> PPP model and Innovative structuring implies no investment from ULBs, rather they can receive a share from savings ~30% of the ULBs have acceptable credit profile ~\$2.0 bn of debt financing through innovative structures required to fund the projects

Summary of Live Project	
Authority	Pune Municipal Corporation (PMC); Credit Rating of AA
Size	~80000 LED, Total Cost of ~\$ 12 mn
Concession period	12 years + 1 year construction period
Winning Bidder	Based on competitive bidding having stringent technical & financial criteria; highest energy saving sharing with PMC based tariff @Rs.5.8/unit (escalated @5% pa)
Revenue	Based upon % of savings guaranteed by the private project developer;
Payment Security	PMC to maintain Escrow account 18 months of payments (replenished annually)
Payment	80% of monthly payment shall be automatically released from the Escrow account. Balance 20% within three months after monitoring actual energy savings from SCADA.
Energy Savings	<ul style="list-style-type: none"> 40 mn units per annum CO2 saving of 0.036 mn ton per annum
Performance	Winner to ensure committed energy savings and operation of lights during concession period. LDs in case of non compliance

The Visionaries



“With honest and straightforward business principles, close and careful attention to details, and the ability to take advantage of favourable opportunities and circumstances, there is a scope for success.”

**Jamsetji Tata, Founder – Tata Group
(1839 – 1904)**



“The Cycle is complete: what came from the People has gone back to the People many times more.”

**Jehangir Ratanji Dadabhoy Tata
(1904-1993)**

Thank You

IFC Eco-Cities Program and its Three Core Components

- Facilitating development of projects in 5 cities to
 - Increase use of RE
 - Increase efficient use of energy
 - Waste to energy
 - Efficient use and re use of water

Core pillars

- Enable climate-smart municipal services Promote renewable energy, clean technology, energy and water efficiency projects in the delivery of municipal services via PPP and other funding mechanisms
- Catalyze green buildings market Address the large untapped mass market for green buildings in India by promoting voluntary certification, facilitating housing finance, and targeted policy interventions
- Promote competitive SMEs; Help SMEs in resource-intensive industrial clusters/sectors in project cities reduce operating costs and facilitate SME financing [>>>](#)