
CII Conference on Clean Energy

Structuring of Blended Financing

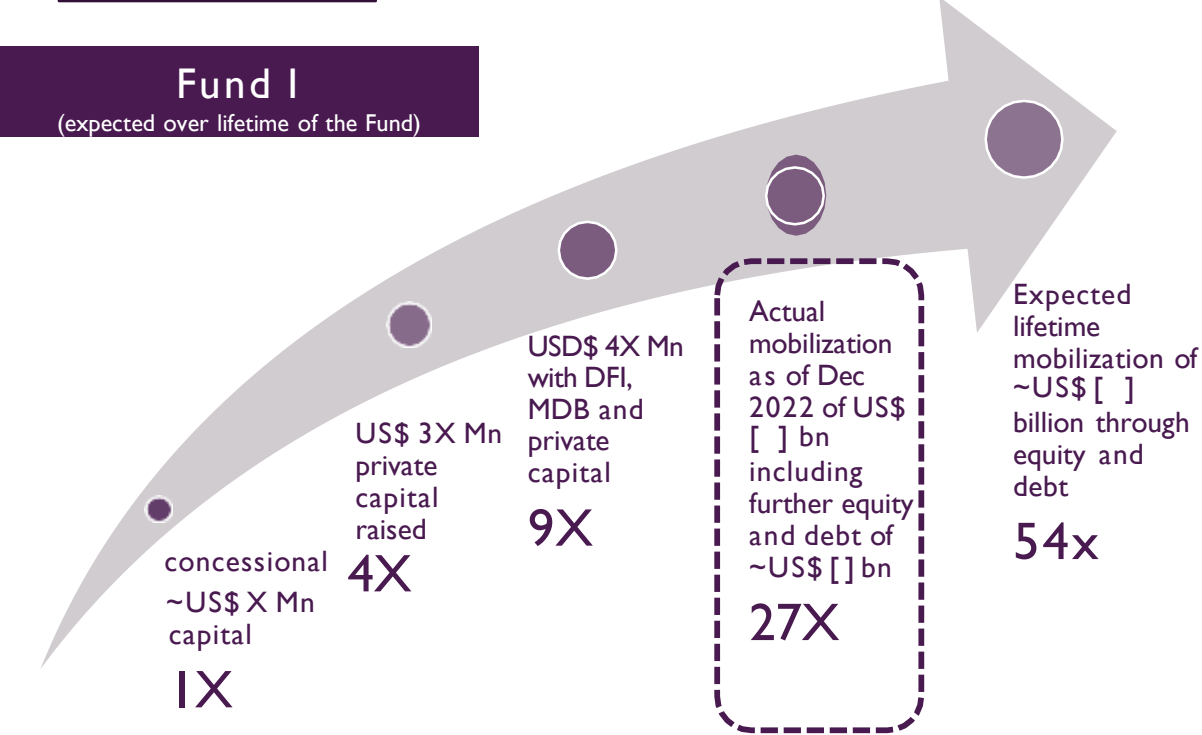
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Eversource



Blended Catalytic Capital to Create a Strong Multiplier Effect



Additionality of Concessional Capital

- De-risking Private capital
- Improved returns for private capital
 - Leveraging lower cost of capital
 - Leveraging first deployment of concessional capital
- Demonstrating viability
- Credit Enhancement
- Attract long term Institutional Investors
- Crowds in Private Capital
- Catalyse local capital market
 - Green Bonds
 - Infra Investment Trusts
- Alignment with Global Goals
- Scalability

Blended Finance: Grants, Concessional capital, Subordinated capital, Guarantees, Concessional Loans etc.

Enabling access to cheap finance – key for growth Clean Energy

Equity Capital:

- Enabling enhanced international, institutional & retail participation in predictable cash flows being generated by InvITs & Renewable Energy Assets
 - Additional payment security comfort for Clean & Renewable Energy producers servicing Discoms directly
 - Credit enhancement guarantee can be on the back of implementation of Advanced Metering Infrastructure program of Govt of India by Discom
- Enabling international, institutional & retail participation in economic interest of renewable and clean energy performing assets, releasing capital for developers against sale of economic interest in unencumbered shares held by them in SPVs

Mezz & Debt Capital:

- Availability of Blended Finance Loan Products from Banks & Financial institutions to RE generators and associated dedicated power infrastructure to bring down the cost of Debt
- Mandating Banks and Institutions to float short term Green CPs to use the lower cost funds to be made available as part of working capital cost for Renewable Energy Companies
- Credit enhancement for Green Bonds issuance from RE generators to allow additional demand emanating from institutional and retail participants and lowering of cost.
 - Credit enhancement guarantees can be, amongst other at the back of collateralization of the green attributes of the RE generated

Lending Institutions need to work towards creating large pools Blended capital to bring down the cost of Green lending