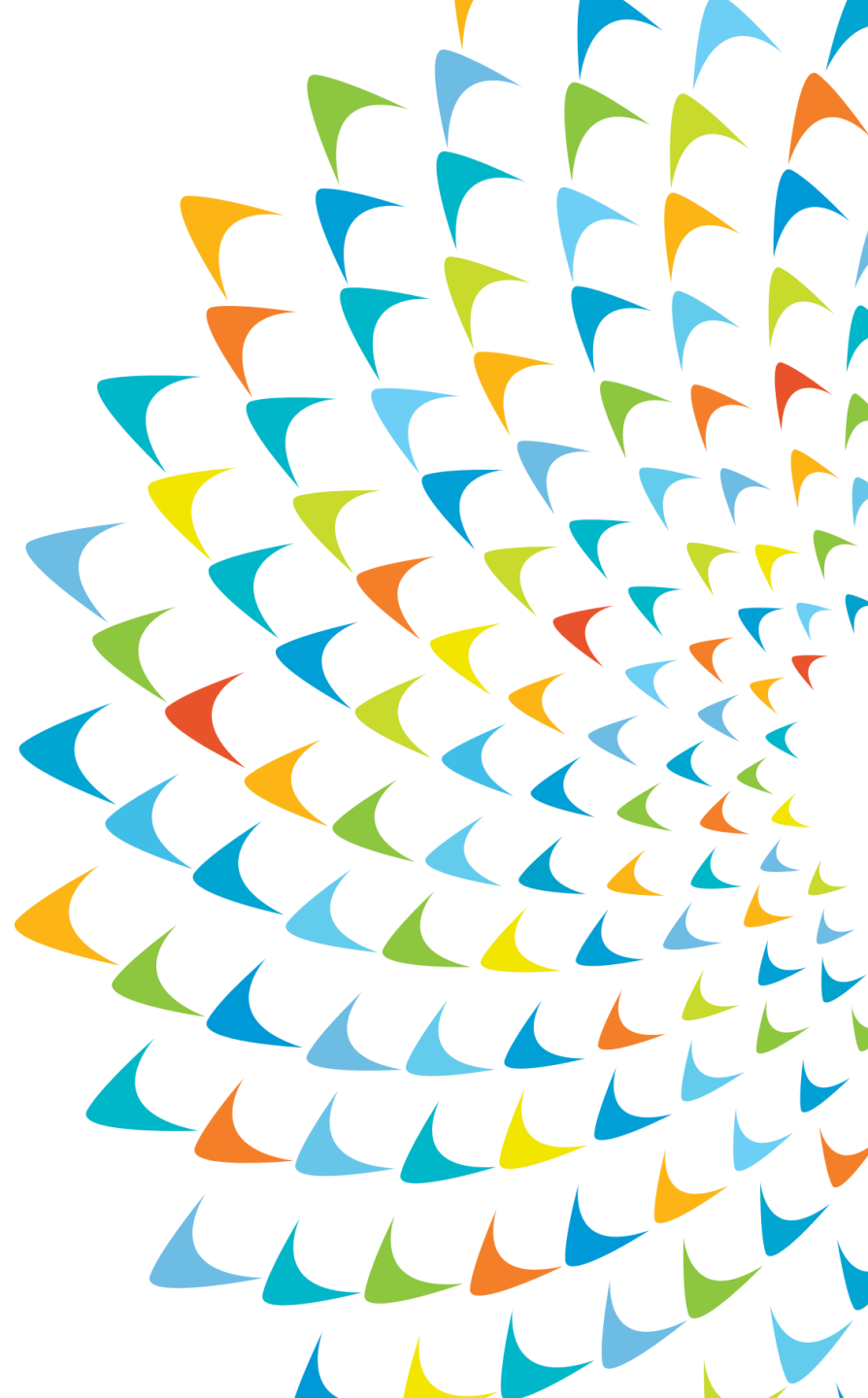




ADB Financing Facilities for Energy Projects

Andrew Jeffries
2018 Energy Investment Forum
4 December 2018





Energy Policy (2009)

To provide reliable, adequate, and affordable energy for inclusive growth in a socially, economically, and environmentally sustainable way



Three Pillars :

1. Promoting energy efficiency and renewable energy
2. Maximizing access to energy for all
3. Promoting energy sector reform, capacity-building & governance



Modes of Assistance

Public sector assistance

- Loans
- Grants
- Technical Assistance

Private sector finance

- Loans
- B-Loans
- Equity Investments
- Guarantees

Catalytic tools

- Clean Energy Financing Partnership Facility (\$102 m)
- Asia Pacific Carbon Fund (\$151 m), Future Carbon Fund (\$115 m)
- Technical Support Facility
- Other initiatives: Clean Energy Program, Energy for All, Asia Solar Energy Initiative, Quantum Leap in Wind

Policy and knowledge management

- Policy dialogues with governments
- Research, training, conferences, publications, capacity building financed through technical assistance



ADB Operations Overview

Public Sector Assistance:

- Central and West Asia Department
- East Asia Department
- Pacific Department
- South Asia Department
- Southeast Asia Department

Private Sector Assistance:

- Private Sector Operations Department

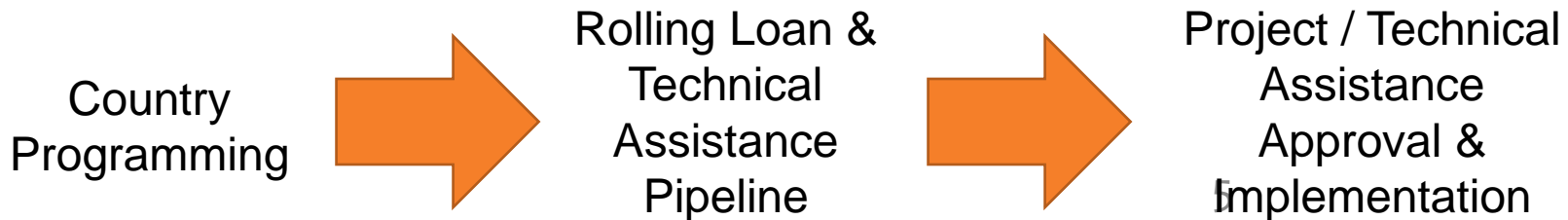
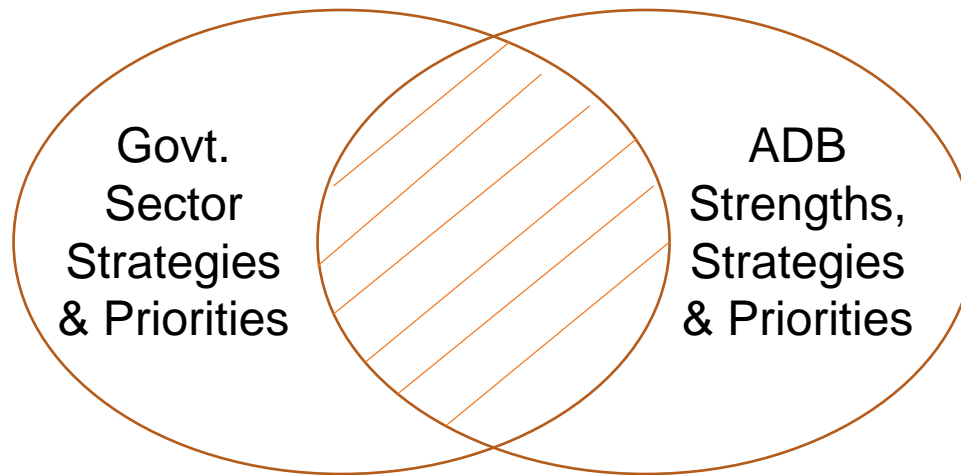


ADB Operations Overview

Process for Public Sector Assistance:

ADB strategy closely coordinated with host country government

Each country strategy unique to that particular country's needs and priorities





ADB Operations Overview

Process for Private Sector Assistance:

Web links: <https://www.adb.org/site/private-sector-financing/applying-assistance>
<https://www.adb.org/site/private-sector-financing/contacts>

Required Information:

- Executing Summary
- Project Description
- Feasibility Study
 - Technical, Financial, Economic, etc.
- Background on Sponsor(s)
- Project Ownership Structure
- Project Implementation Arrangements
- Project Operations
- The Market
- Environmental and Social Aspects
- Cost Estimates & Financing Plan
- Financial Model
- Risk Analysis
- Permits and Licenses

Philippines Examples – Public Sector

Rural Community-Based Renewable Energy Development in Mindanao (Pilot micro-hydro plants)

- **Plants:** 25kW (3 phase) Barangay Dalupan & 30kW (1 phase) in Getsemane
- **Business Model:** Net-Metering Agreement - first time for MHPP in Philippines
- **Energy Access:** Extension of power supply to previously unenergized households
- **Strong partnership with government:** Collaboration with National Electrification Administration, National Commission on Indigenous Peoples, Energy Regulation Commission, Department of Energy, Department of Environment and Natural Resources, and Mindanao Development Authority
- **Sustainability:** Establishment and capacity building of community-based organizations & locals for Operation and Maintenance of the projects
- **Economic activity:** development of livelihood enterprises, installation & operation of a Multipurpose Corn Mill Revolving fund grant/ micro-credit facility to cater financing needs of electricity-based household micro enterprises and farm production of members of CBOs





Philippines Examples – Public Sector

PILOT: Cobrador Solar PV Hybrid System

- Collaboration with National Electrification Administration and Romblon Electric Cooperative (ROMELCO) for replication of business model in other islands
- Hybridizing 15 kW diesel generator with 30 kW solar PV and 180 kWh energy storage system (lithium-ion batteries)
- Extension of power service from 8h to 24h per day; connecting all 244 households
- Power for households, productive uses (boat making, refrigeration for fishing, tourism, power tools) and community infrastructure
- Operation & maintenance by ROMELCO + access to government incentive schemes to lower electricity tariff
- Electricity load increased by three-fold since the start of operation in 2016





Philippines Examples – Private Sector

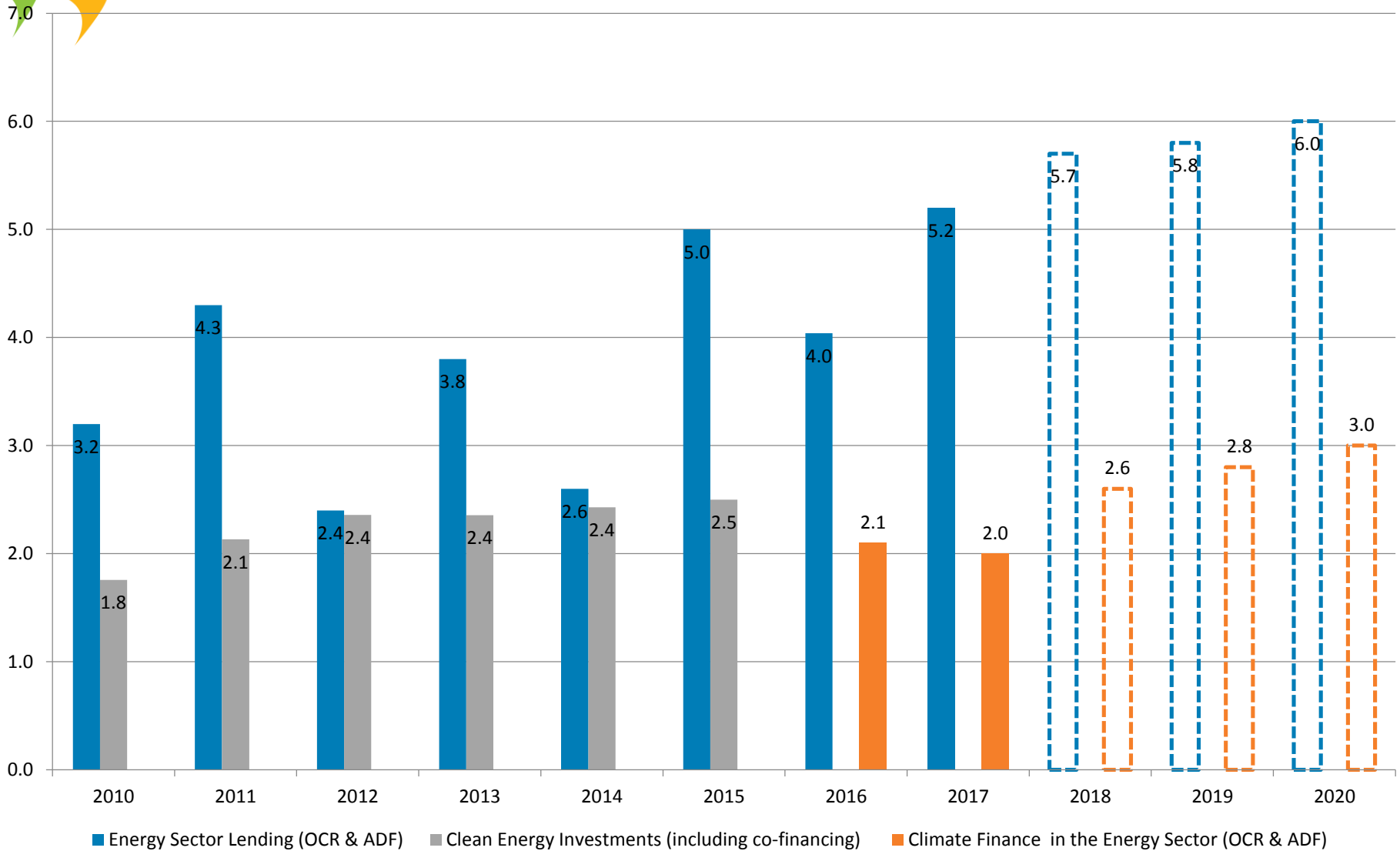
150 MW Burgos Wind Farm Project

- Located in Ilocos Norte, municipality of Burgos.
- Covers approx. 686 hectares across 3 barangays (Saoit, Poblacion and Nagsurot).
- ADB loan alongside int'l & local lenders

Tiwi and Makban Geothermal Power Green Bonds

- Plants: Tiwi in Albay (234 MW) and Makiling-Banahaw in Laguna/Batangas (442 MW) for total of 676 MW
- Project loan, plus a partial credit guarantee to support the issuance of the Philippines's first peso denominated green project bond.
- Recapitalizes purchased assets and rehabilitation costs

ADB-Wide Energy Sector Lending





Thank you.

