



Green Growth and Energy Transformation

Solar for Education

Forum for Jobs & Finance

July 24, 2017, Kolkata

Draft Report

I) Background

In April 2016, CUTS International with the support of Friedrich Ebert Stiftung (FES) commenced a project on Green Growth and Energy Transformation, in short called Grow-GET. The central idea of the project is to formulate a strategy towards energy transformation in the state of West Bengal and Rajasthan, amongst others. The project focus is mainly on renewable energy and the project goal also complements the efforts of National and State governments on increasing the share of renewable energy in the overall energy mix.

During the course of deliberations, it became clear that any transformational strategy must encompass at least four key elements – technology, market, state and citizens. Accordingly, the stakeholders who came together under the Grow-GET initiative in the form of a seed community identified a catalytic project on ‘Solar for Education’ with an understanding that not only the above four elements could converge on this project idea but it will also be able to catalyze action on many other fronts. To implement the project further strategic framework was designed and it mainly includes five activities namely scoping visits to identify locations; grassroots forum to assess need, scale and concerns of the grassroots amongst others; finance and job forum to assess ways of channelizing the required finance for implementation; policy forum to take up issues related to finance and technology policies which act as bottlenecks and awareness forum to ensure that there is adequate awareness amongst stakeholders of how best to provide solar solution to the last mile.

Deliberations at the Forum of Grassroots underlined the need to sensitise the Education Institutions on various aspects pertaining to the procedures involved in installing rooftop solar; information about RESCOs empanelled with MNRE; what are the probable funding avenues; what is the total cost the institution will have to incur to install rooftop solar; how the education institutions can benefit in tangible & intangible terms; what would be the expected payback period; and the basic steps that are required to maintain the panels.

One of the key recommendation that emerged from the discussion was to develop an appropriate business model that would promote large scale adoption of GRSPV with or without subsidy.

Based on key outcome from the Forum of Grassroots, the Forum of Jobs and Finance aimed at understanding various channels and bottlenecks of financing required to encourage installation of GRSPV. In addition, the forum also aimed to deliberate on the following issues:

- Challenges faced by Training Providers in creating the right kind or skilled manpower to support requirement of various stakeholders in solar industry especially, the manufacturers of solar equipments, and solar project developers;
- Challenges faced by manufacturers of solar equipments and solar project developers in providing employment to the skilled / semi-skilled personnel;
- Challenges faced by Banks and other Financial Institutions in providing financial assistance for installation of rooftop solar projects; and
- How CSR initiatives could be channelised to promote installation of grid connected rooftop solar among educational institutions;

Representative from various Financial Institutions, Corporate Bodies, Skill Training Providers, Renewable Energy Service Companies (RESCO), Civil Society Organisations, and DISCOMs participated at the consultation.

To sum up, the forum was designed to gather and assess inputs on need, scale, relevance of policy on finance and technology and level of awareness, both basic and advance. These inputs are crucial to inform the project team about questions and suggestions that can be taken up in other forums. It may be reiterated here that role of CUTS International is only to facilitate the implementation and not to implement the project by itself.

II) Key Issues: Perspective of key stakeholders

A. Perspective of Financial Institutions

The financial institutions are willing to provide the required financial support as loans to the institutions that are willing to install rooftop solar. To encourage consumers or organisations to avail the loan facilities, the rate of interest has been set within the range of 8 – 8.9 percent for a period of maximum 10 years. In addition, the banks do not ask for any collateral security from the borrower who wants to avail this loan. Further, a borrower willing to borrow an amount for upto Rs. 10 lakhs, may also avail loan under Pradhan Mantri Mudra Yojna but at a higher interest rate of 11.5% per annum on a reduced cost basis.

It was pointed out that while the senior officials at the Head Office level are keen to finance solar installations and have come with appropriate policies, the same needs to be effectively communicated to the branch managers at the district/sub-district level. Further, the branch managers are often not forthcoming while providing loan for solar and one of their major concern is the issue of recovery. Banks would be interested to finance GRSPV once their recovery is guaranteed.

In this regard, it was proposed that a tripartite agreement could be thought of between the Bank, the Solar Project Developer and an NGO where the Bank will provide financial assistance to the solar project developer and the NGO would be responsible for the recovery of the loan. However, one probable issue with this arrangement, as flagged by the Financial Institutions was that - owing to MNRE guidelines the Banks are mandated to work with only select RESCOs and these RESCOs might not agree to enter into such an agreement.

B. Perspective of Renewable Energy Service Company (RESCOs)

Access to finance is one of the major bottlenecks restricting greater uptake of GRSPV. The RESCOs emphasised the need for building capacities of officials at the local level who are responsible for disbursing loans pertaining to installation of GRSPV. It was also pointed out that there exists lack of clarity on whether the non-commercial institutions (viz. educational institutions run by Trusts or Religious Institutions) can get the loan for putting up GRSPV.

In this regard, it was suggested that in case of non-commercial institutions, the banks may think of providing loan to the RESCO who would then put up the GRSPV. Additionally, it was also proposed that the Banks could disburse 80 percent of the loan upfront (which will meet their cost of putting up a solar plant) then that could encourage the RESCOs to push the agenda of solarisation further.

C. Perspective of Corporates

CSR funds can be used for solarising educational institutions but there are geographical constraints, since a corporate will always prefer working with communities that are within their area of operation. Further, for some corporates solar does not come under their CSR policy guidelines.

D. Perspective of Skill Development Training Providers

The Skill Development Training Providers are providing training to the youths in both rural and urban areas under the Surya Mitra Program. Some of the RESCOs are also organising trainings under this program to strengthen their own after sales services. However, post training placement has been a big issue owing to limited uptake of solar in the state, and the trainees are often not ready to move outside their native place. It was also emphasised that even though the Government of India has undertaken the Make in India campaign but creation of Green Entrepreneurs at the Grassroots has been very limited. One of the reason being fluctuation in the price of solar panels; and limited demand for solar in the state.

III) Probable Ways to effectively address the issues

Based on the issues discussed at the Forum for Jobs & Finance the following probable ways were proposed by the members of the forum to effectively address the issues:

- Appropriate regulations in the banking system to be introduced to facilitate extension of loan to the educational institutions for installing solar;
- A tripartite agreement could be thought of between the Bank, the Solar Project Developer and an NGO where the Bank will provide financial assistance to the solar project developer and the NGO would be responsible for the recovery of the loan;
- Since Institutions are treated as Trust Bodies, loan for installation of solar could be provided to the RESCOs. Further, an advance of 80% of project cost could be provided to the RESCOs for faster implementation of the project;
- For successful uptake of RESCO model it is imperative that there should be clarity while fixing ownership and also a mechanism for redressing conflicts between the rooftop owner, the RESCO and the financial institution;
- Rooftop solar should not be viewed in isolation but as a part of holistic energy efficient building model.

Annexure – I

List of Participants

Sl.No.	Name	Organization
1.	Debashis Dhar	ONERGY
2.	Diptam Chakraborty	BENGAL AEROTROPOLIS PROJECT LTD
3.	Gourab Bandyopadhyay	SHRISTI
4.	JC Biswas	NABARD
5.	Karuna Singh	Earth Day Network, India
6.	M. Chatterjee	SHRISTI
7.	Navonil Das	EARTH DAY NETWORK, INDIA
8.	S. Ravi	State Bank of India, KOLKATA
9.	Sanjukta Mukherjee	OPTIMIA SOLUTION CONSULTING
10.	Santasil Das	BENGAL AEROTROPOLIS PROJECT LTD.

List of Participants: Project

Sl. No.	Name	Assignment/ Organisation
1.	Abhishek Kumar	CUTS International
2.	Anastasia Klueter	FES India
3.	Arnab Ganguly	CUTS International
4.	Prithviraj Nath	CUTS International
5.	Priyam Purohit	CUTS International
6.	Rupamoy Bhattacharya	CUTS International
7.	Sayantana Sengupta	CUTS International
8.	Sehaj Malik	FES India
9.	Sumanta Biswas	CUTS International

Solarfor Education

Forumfor Jobs and Finance

Lack of access to energy slows down development. An important area to address the development gaps is education and hence reliable provisioning of energy in educational institutions will lay infrastructural foundation for a better learning environment. Unfortunately, owing to various practical reasons it is often not possible to provide reliable power through the conventional grid and hence making it essential to consider the scope of providing reliable power through alternative sources of energy. However, this process of energy transformation can't be steered by state alone or by people or private sector acting discreetly. While on one hand it requires assessing the need, and understanding the level of awareness on policies and technologies at the grassroots, on the other hand it also requires access to Finance. In addition, the entire the discourse on alternative energy sources would remain largely vacuous without understanding the implication that energy transformation can have on livelihood i.e. jobs and entrepreneurship.

The forum for Finance and Jobs is the second strategic step being facilitated by CUTS International to record response of key stakeholders from various solar project developers, institutions engaged in development of skills & entrepreneurship and Financial Institutions. Inputs sought from the forum will be taken to market actors, government and civil society to develop a foolproof strategy to provide energy access through the medium of solar technology.

Monday24th July,2017 | Venue: Grand Hotel, Kolkata

Agenda

10:00– 10:30	Registration andTea
10:30-10:40	Welcome Address by CUTSInternational and FES-India
10:40-12:00	Interactive session with stakeholders <i>The session will have interactive discussion with diverse stakeholders to assimilate the various practical bottlenecks to be addressed to popularize solar solutions among the educational institutions. The participants will include representatives solar project developers, institutions engaged in development of skills & entrepreneurship and Financial Institutions, relevant departments, NGOs, and media, amongst others.</i>
12:00 – 12:15	<i>Tea Break</i>
12:15 – 13:00	Conclusion and Way Forward <ul style="list-style-type: none">✓ <i>Presenting the key highlights of the forum</i>✓ <i>Discussing the strategy to take forward the initiative.</i>✓ <i>Discussing the action points for the future forums</i>
13:00– 14:30	Lunch