

## PFAN SUPPORTS MAJOR SOLAR ENERGY PROJECTS IN ASIA

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“Going through the PFAN process helped us hone our business strategy and helped mobilize a program of (up to) \$60 million solar project financing from Tata.”

– *Satya Kumar, Managing Director*

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September 2014 – There is significant and growing clean energy potential throughout Asia, with few countries more active than India which recently put in place ambitious new goals targeting 100,000MW of solar development in the next 10 years, enough power for approximately 240 million people<sup>1</sup>. However, to tap this clean energy potential, project developers, in many cases small and medium sized businesses and entrepreneurs, need to navigate a complex and risky process of land acquisition, re-zoning, and grid interconnection to get projects online.

Working with private sector partners through CTI PFAN, the global PFAN coordinator, and in turn through PFAN-Asia, with funding provided by the United States Agency for International Development (USAID), PFAN is helping project developers secure the necessary financial resources to accelerate solar development. Recently, PFAN successfully collaborated with one of India’s premier solar power developers, Shri Shakti Alternative Energy Ltd (SSAEL), for a 100 MW solar park project in Rajasthan Province. Located in between Jodhpur and Jaisalmer, SSAEL is currently developing a solar park here called the Rajasthan Solar Processing Zone (Raj SPZ). Raj SPZ is spread over 605 acres of land in Sujasar and Galar Villages, near Ramdevra, Tehsil Pokhran, District Jaisalmer.

SSAEL’s business model is to develop solar parks, which focus on solving the key infrastructure, land acquisition, and permitting challenges that often derail grid-connected solar projects in the early stages. In contrast to typical solar power projects, a solar park instead establishes the necessary foundation on a large plot of land and then parses out individual plots, in varying sizes, to independent power producers (IPPs) to build their own solar farms. By addressing early stage project risks and concentrating solar development at a single hub, solar parks increase efficiency through economies of scale, thereby reducing costs and risks for IPPs while simultaneously also accelerating their implementation. Having seen the marked success of the solar park approach in recent developments such as Raj SPZ and the Gujarat Solar Park, the Indian government plans to develop 25 large-scale solar parks all over India ranging from 500 MW to 1000 MW in the next few years.

SSAEL entered the PFAN program in 2013 through the annual business plan competition – The Asia Forum for Clean Energy Financing. As one of 75 companies in the AFCEF-3 competition, SSAEL quickly made a name for itself, impressing evaluators with its innovative approach and world-class team, eventually winning First Prize in the competition. While such competitions gives entrepreneurs an opportunity to hone their business plans through the engagement of highly-experienced PFAN mentors and investors, discussions with interested investors typically take place over a longer time horizon prior to investment.

As the first prize winner of AFCEF-3, SSAEL continued to receive PFAN mentorship support after the competition, which, coupled together with PFAN’s continued engagement and broader recognition in the marketplace, enhanced SSAEL’s ability to secure a relationship with Tata Power Renewable Energy that mobilized up to \$60 million of investment for a 50MW solar power project. Moving forward, PFAN will continue to serve an advisory role for SSAEL until the remainder of the Raj SPZ project is completed.



**Above: Shri Shakti is presented the First prize award at the Asia Forum for Clean Energy Financing (AFCEF-3) business plan competition**

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<sup>1</sup> Estimated using secondary sources of data from the UNEP Global CDM database and the World Bank. Assumed 17% solar PV plant capacity factor and annual electricity usage per capita of .684 MWh.