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EESL launches \$454 million ‘Creating and Sustaining Markets for Energy Efficiency’ project in partnership with the GEF

EESL’s projects, under one of the largest funding by GEF till date, will mitigate 60 million tonnes of CO₂ eq

UN Environment’s ‘District Energy in Cities’ Initiative already identified \$600 million of Energy Efficiency projects across 5 cities in India

Recognizing India’s efforts towards a low emission-economy and focusing on energy efficiency programmes, the Global Environment Facility (GEF) has now partnered with Energy Efficiency Services Limited (EESL), under Ministry of Power, for the project ‘Creating and Sustaining Markets for Energy Efficiency’, here today. The project will receive a composite funding of \$454 million comprised of the GEF grant of \$20 million and co-financing of \$434 million in the form of loans and equity, including a \$200 million loan from the Asian Development Bank (ADB). EESL further proposes **Energy Efficiency Revolving Fund (EERF)** for sustainable funding mechanism of energy efficiency projects in the country.

The EERF mechanism will support the **‘proof of concept’ investments** for the new technologies of super-efficient ceiling fans, tri-generation technologies & smart grid-applications and ultimately scaling up energy efficiency financing and programme development to help cover initial investment costs of identified energy efficiency programmes like street lighting, domestic lighting, five-star rated ceiling fans and agricultural pumps, in the country. This unique model will help in addressing the upfront risks of new technologies. Further, the accrued savings from these technologies can then be used to finance additional projects, which would allow capital to revolve as a sustainable funding mechanism.

The GEF project further brings together many technical and financing partners including United Nations Environment (UN Environment), Asian Development Bank (ADB) and *Kreditanstalt für Wiederaufbau* (KfW) which aims to mitigate 60 million tons of CO₂ eq (carbon dioxide equivalent), that will enable a total direct energy savings of 38.3 million GJ by 2022 and 137.5 million GJ by 2032. (1 GJ = 277.778 kWh)

Addressing the gathering, Shri Ajay Kumar Bhalla, Secretary, Ministry of Power, said that currently around two-thirds of total power generation capacity in India is based on fossil fuels. By 2030, India is committed to achieve 40% of the installed capacity based on clean energy sources. To achieve this target, it is imperative to create awareness in the citizens, especially among youth, to encourage energy efficiency measures like use of electric vehicles, energy efficient building codes etc., he added.

Speaking on the occasion, Shri Anil Kumar Jain, Additional Secretary Ministry of Environment, Forests and Climate Change, said that the overall size of energy efficiency market in India is estimated to be \$23 billion. Initiatives like these seek to tap that market by implementing an innovative business model that is scalable, flexible, embraces different and emerging technologies and has incentives for all stakeholders.

Ms Naoko Ishii, Chairperson and CEO, GEF said that with the strong leadership of EESL and the Government of India, the penetration of these clean energy technologies will help India leapfrog to a more sustainable future while helping reduce local and global emissions.

Kenichi Yokoyama, Country Director of India Resident Mission of ADB, said that ADB will partner EESL to implement energy efficiency projects in India to facilitate sustainable growth by addressing climate change issues, boosting the economy and generating greater employment in the country.

Mr. Geordie Codville of the UN Environment said that the project is aimed at scaling up energy efficiency efforts to achieve India's Intended Nationally Determined Contribution (INDC) goals and ultimately the UN Sustainable Development Goals (SDGs).

EESL also has its sights set on district cooling systems which can reduce energy demand for cooling by up to 50 percent. EESL has partnered with **UN Environment's District Energy in Cities Initiative**, which has already identified \$600 million of projects across five cities in India.

GEF is an international partnership of 183 countries, international institutions, civil society organizations and the private sector that addresses global environmental issues. The funding announcement was made at the launch of the **GEF-6 fund** which supports two projects – 'Creating Markets for Energy Efficiency' and 'District Energy in Cities'.

Other dignitaries present on the occasion were Shri Raj Pal, Economic Advisor, Ministry of Power, Shri Saurabh Kumar, MD, EESL and other senior officers of the Ministry and PSUs under it.

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