

Greenmap is now

REL**LP**
Renewables **for all.**

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Director, Country Engagement & Partnerships

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Photo: Garayalde wind farm, RenovAr Programme, Argentina

Unlocking renewable energy markets in
developing and emerging economies in Asia

Asia Sustainability Dialogue 2023 - Aug 31st, 2023

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ABOUT RELP

Who we are

Impact-driven, non-for-profit organization supporting governments in emerging markets and developing economies (EMDEs) to attract investments in renewables at scale and lower cost

Blended **public and private experience** in the renewable energy sector

Internationally recognised track record: we implemented a programme that mobilized **US\$ 7Bn** in a very complex environment (RenovAr)

Determined to **help replicate success** in other developing countries

Focused on design & implementation of **innovative clean energy policies and de-risking tools**

Executive Team



SEBASTIÁN KIND
Founder & CEO



MAURO G. SOARES
Co-Founder & COO



ANDREA BERTELLO
Director of Country
Engagement
& Partnerships



FERNANDO LAGARDE
Director of Policy
and Regulation



FLORENCIA AGATIELLO
Global Head
of Research



MARTÍN KIND
Director of
Innovation and
Technology



**RAMIRO GÓMEZ
BARINAGA**
Director of Finance
Strategy Design

Board of Advisors



MICHAEL LIEBREICH

REL P Founding Member
Member of the Board of Advisors
Founder New Energy Finance
(BNEF)



RACHEL KYTE

Former CEO and Special
Representative of the UN
Secretary-General for Sustainable
Energy for All and Co-Chair of UN-
Energy



LIZ BRONDER

Managing Director, Global
Sustainable Finance Group at Bank
of America. Former Regional
Director for Latin America and the
Caribbean at IFC



REBECCA COLLYER

Director International Forum for
Energy at European Climate
Foundation



ANGELINA GALITEVA

Chairwoman of the California ISO



DAVID ROGERS

Developer of low-carbon projects.
Stanford Adjunct Professor.
Project Finance specialist.
Former leading partner in Latham
& Watkins LLP



DANIEL MAGALLÓN

CEO of the Basel Agency for
Sustainable Energy (BASE)



CHARLES BAI

President of Jinko Power
International



FELIX ZHANG

Group Executive
Director of Envision
Energy

Our Mission

To accelerate the transition to clean energy in emerging markets and developing economies (EMDEs), by supporting governments unlock renewable energy (RE) markets to scalable private investments at affordable prices

Our Vision

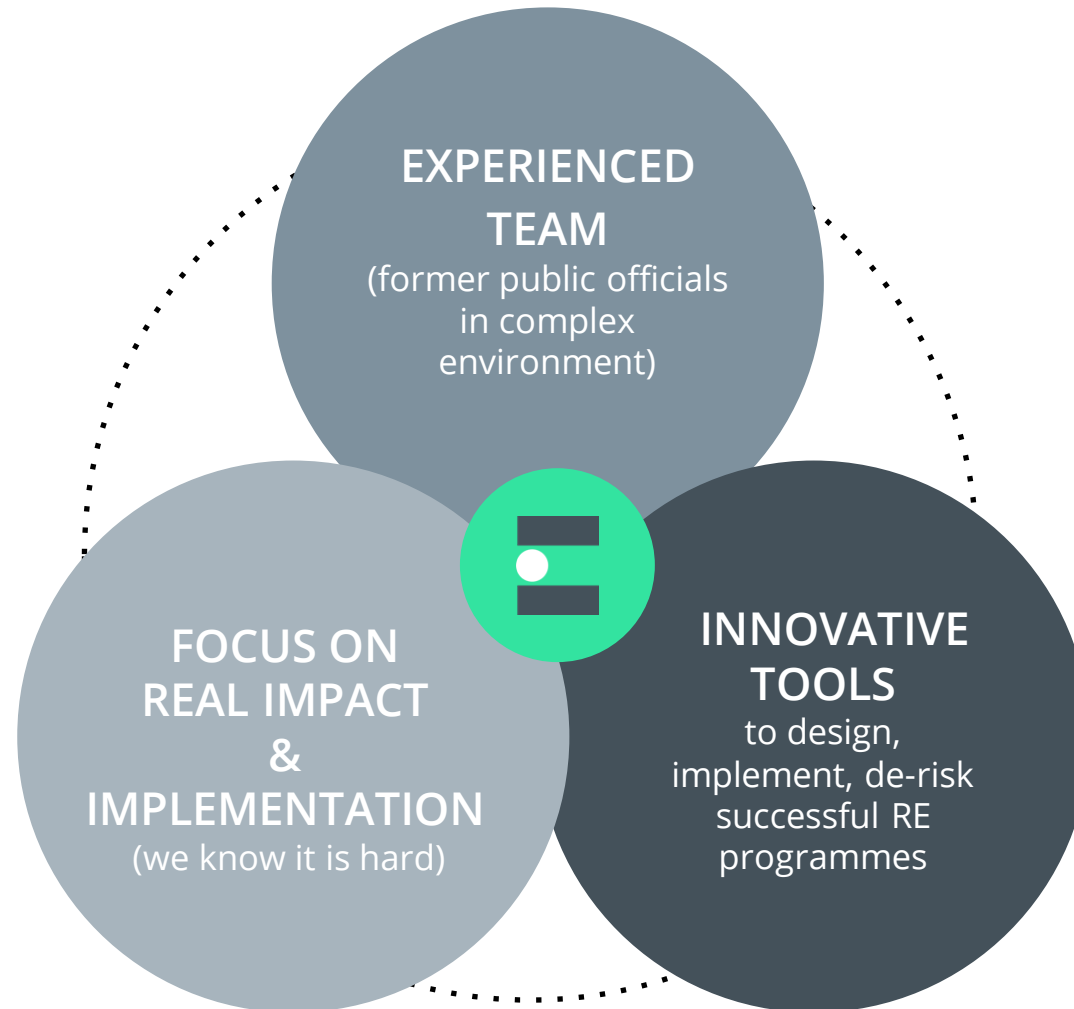
Become a standard for public renewable energy auction design and implementation

Clean energy auction programmes

(With embedded risk mitigation tools to unlock private investments)

We assist governments in emerging markets and developing economies (EMDEs) to design and implement well-structured, transparent clean energy programmes (auctions).

WE HELP THEM TO GET IT DONE.



INDEPENDENT SUPPORT FOR FAST, SUCCESSFUL IMPLEMENTATION.

FREE OF CHARGE.

We cover all aspects of RE procurement

Design and implementation of renewable energy and BESS auctions.



Design and implementation of de-risking Instruments.



Design and/or improvement of regulatory frameworks.



Use of data and digital tools/models to improve decision making and manage auctions.



Technical assistance & capacity building for government teams.



Country Operations



ENGAGING WITH GOVERNMENTS

We look for countries with true **political commitment** to push the energy transition forward.

Within these countries, we look to engage with the **“local champions”**, leaders of the public and private sectors who are getting things done.

Donors & Partners



CLIFFORD
CHANCE



PlanEitive



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THE PROBLEM

Race to Net-Zero in EMDEs is challenging

Long-term renewable energy investment in developing countries is deterred by high political, regulatory, financial and economic risks

The energy transition is not happening as fast as needed!

Clean energy dilemma in EMDEs

1

LESS INVESTMENTS (NEED TO SCALE UP!) - Clean energy investments in Emerging Markets and Developing Economies (EMDEs) excluding China **need to scale up 7 fold by 2030**, from US\$ 260Bn to US\$ 1.4-1.9Tn ([IEA 2023](#)).

2

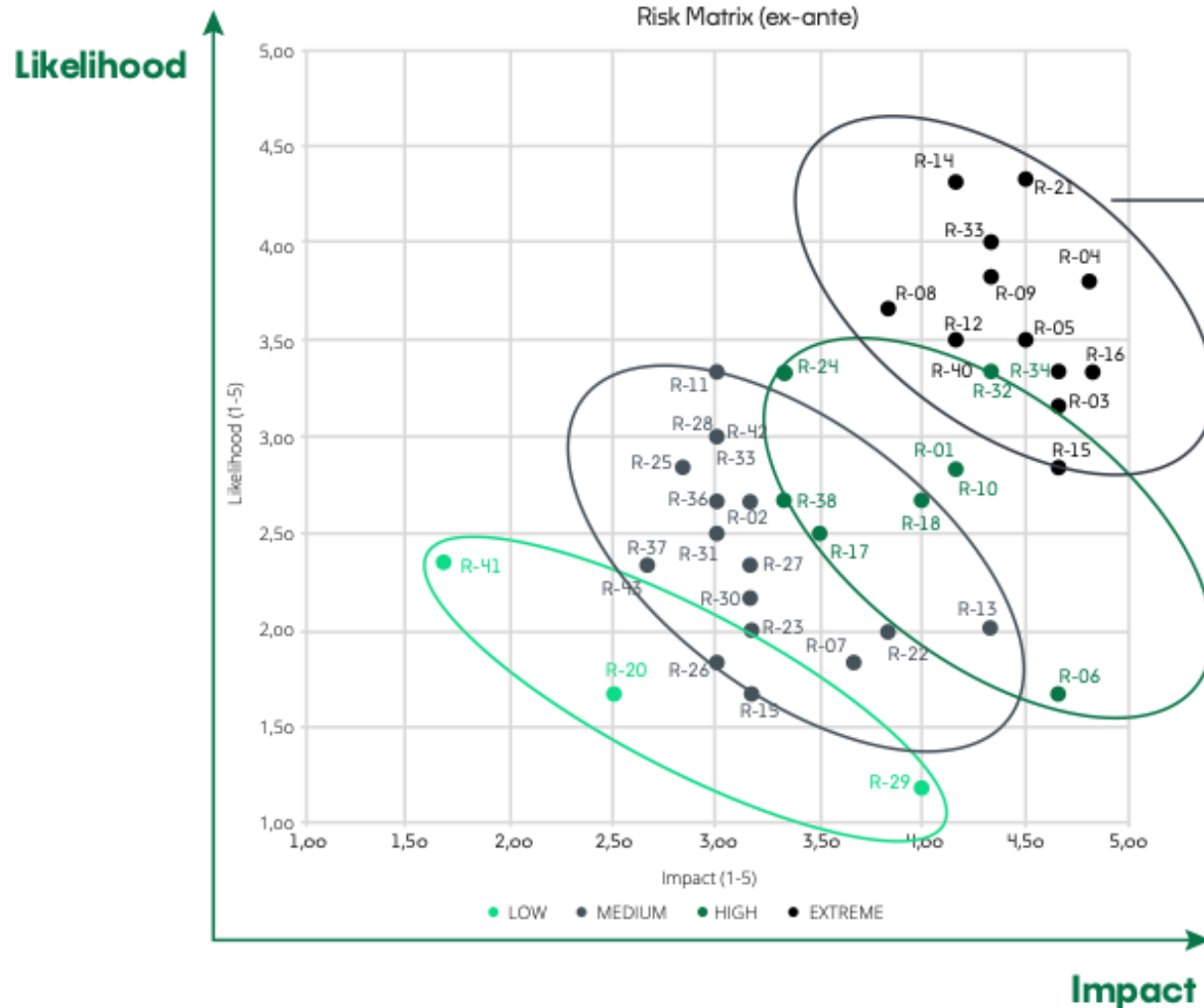
HIGHER REAL/PERCEIVED RISKS - Today due to more challenging and unstable political, economic, financial, regulatory and legal environments, EMDEs **struggle to attract more investments and pay more for clean energy** compared to industrialized countries.



POOR COUNTRIES PAY FOR MORE EXPENSIVE ENERGY - The Levelized Cost of Renewable Energy (LCOE), is a function of the amount of capital needed to install generation projects (CAPEX) and the weighted average cost of capital (WACC), which is highly related to the real and perceived risks of the investment in the host country.

Understanding and mitigating risks is key

Typical risks affecting investments in EDMEs



HIGH LIKELIHOOD - HIGH IMPACT RISKS

1. Delayed or non-payment by the Offtaker
2. Local-currency inconvertibility
3. Hard-currency non-transferability
4. Early termination of PPA
5. Change of rule of law
6. Lack of functioning wholesale market

Other risk areas typically perceived by stakeholders

- 1. Uncertainty on permits and clearance for grid connection/access rights
- 1. Curtailment due to insufficient grid capacity or to grid management issues
- 1. Local / hard currency inflation and lack of price adjustment in the energy tariff
- 1. The definition of the ceiling prices (assumptions/methodology) to be used as reference in the auction process

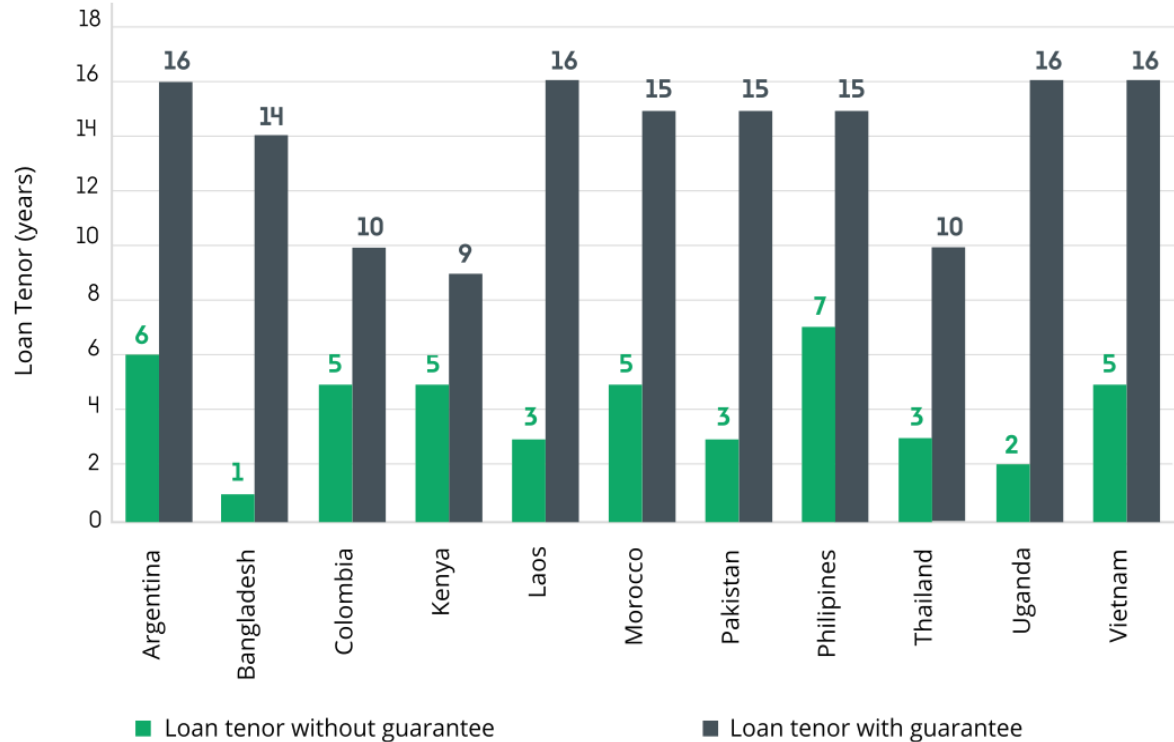


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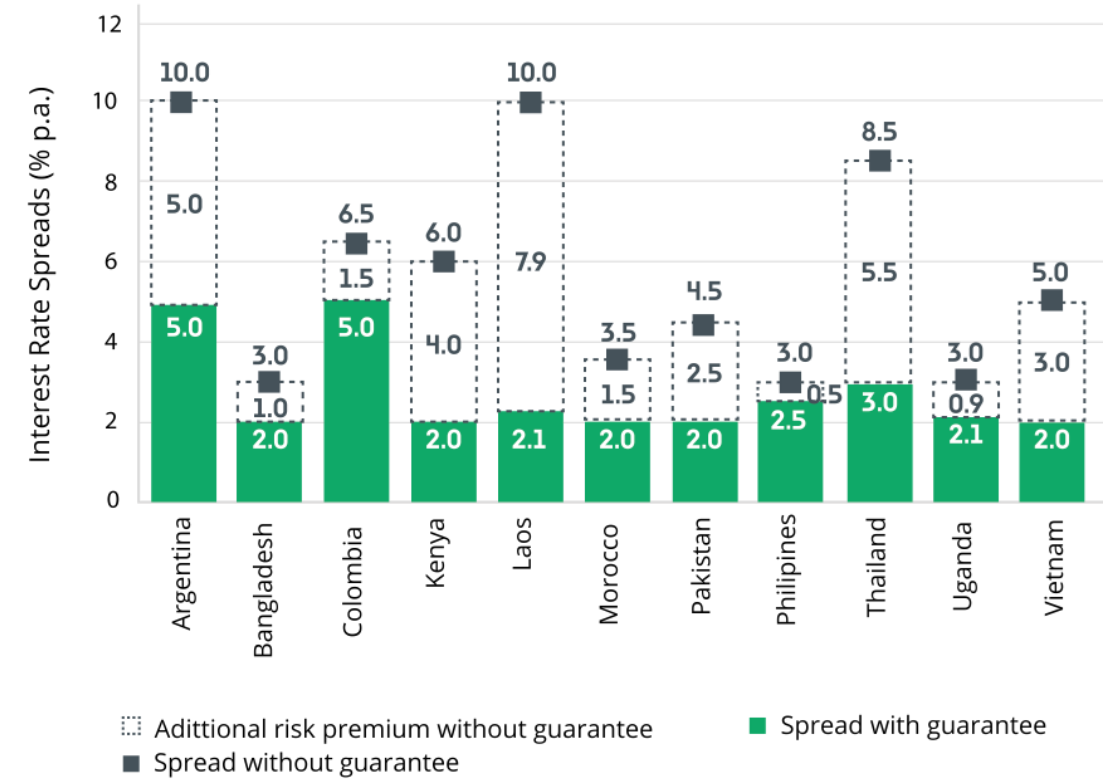
REL P's SOLUTION
(iTRUST)

Guarantees: great potential

Impact of investment-grade guarantees on LOAN TENOR



Impact of investment-grade guarantees on INTERESTS RATES SPREADS



The iTrust

Background

- The **International Guarantee Trust Fund for Renewable Energy (iTrust)** is an innovative programme-based guarantee package to mitigate political and financial risks affecting clean energy project bankability and market attractiveness in EMDEs countries.
- Designed as a **channel for available funding from MDBs, donors/philanthropies and institutional investors** into a customized scheme, to provide a package of program-based guarantees to all renewable energy projects awarded through well-structured public auctions.
- Designed as a **replicable and programmatic solution** for governments (coupled with transparent auction schemes).
- Inspired by the successful solution used within the RenovAr Programme in Argentina (which unlocked US\$ 7Bn clean energy investments between 2016-19), and by the observed needs of several markets in EMDEs.
- Clifford Chance law firm is supporting RELP as legal advisors for the design phase.

The product

Two programme-based guarantees for RE

1 REVOLVING ENERGY PAYMENT GUARANTEE

GUARANTEED OBLIGATION: Monthly energy payments by the offtaker.

COVERAGE: 3 to 12 months of project revenues (revolving).

TENOR: Full life of the offtake agreement.

COST: Free to all awarded projects (IPPs).

KEY FEATURE: Revolving.

FUNDING SOURCES: Donors and governments

2 EARLY TERMINATION PAYMENT GUARANTEE

GUARANTEED OBLIGATION: Payment of early termination amount in case of offtaker or government default subject to certain triggers (non-payment, inconvertibility, non-transferability, change of fundamental law).

COVERAGE: To be chosen by the bidder, up to the maximum termination amount.

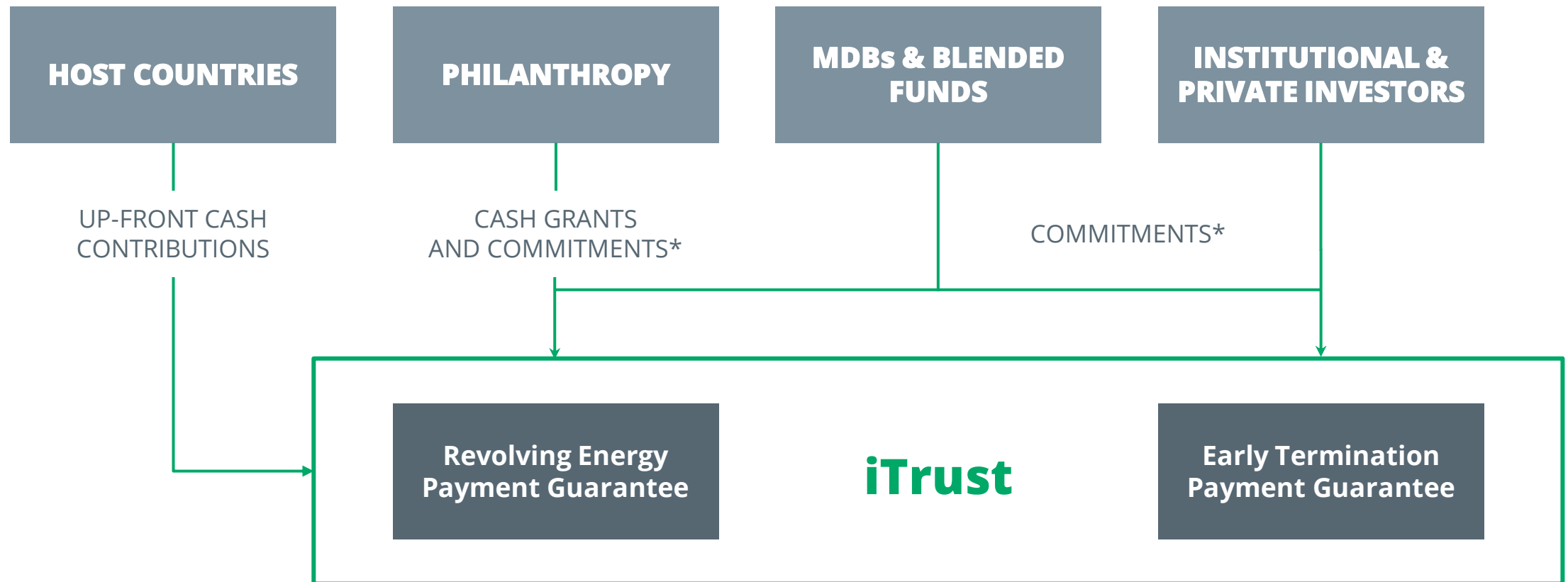
TENOR: To be chosen by the bidder, up to the tenor of the offtake agreement.

COST: Fixed and variable fees (cost reflective of the iTrust's financial structure).

FUNDING SOURCES: Donors, MDBs, private and institutional investors.

The iTrust

Blended funding of the guarantee accounts



* Callable upon a claim on the REPG and/or the ETPG.

The iTrust

Key Features

1

Programme-based solution (to be embedded in clean energy public auctions) organised under **foreign private law** (independent from domestic political decisions).

2

Ruled by **simple, flexible and stable procedures**, making it **easily scalable**

3

Administered by an independent world-class **Trustee**, governed by an independent and qualified **Board of Trustees**, and supported by a **Secretariat**

4

Based on clear **eligibility criteria guidelines for Host Countries, REPPs and Funders**

5

Audited by a **tier-one audit firm**

The iTrust

Benefits of its implementation

HOST COUNTRY

- Unlock Markets
- Lower energy generation prices
- Lower fiscal exposure
- Avoid bureaucratic implementation costs

IPPS

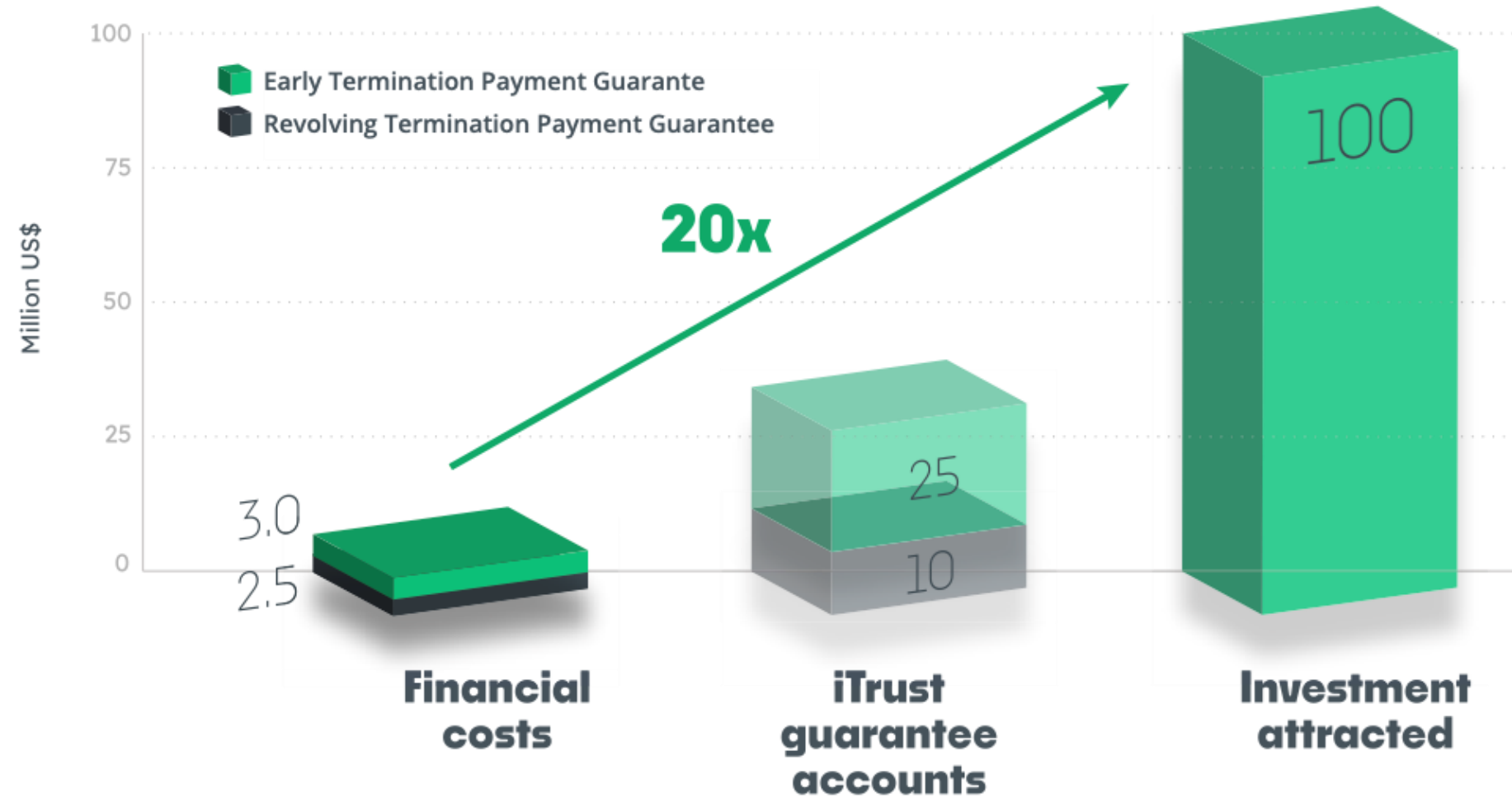
- Reduced uncertainty
- Enhanced bankability
- Automatic access to guarantees
- Offshore guarantee accounts

FUNDERS

- Larger impact
- Higher leverage of investment (crowding-in private sector, donors/philanthropies, etc)

The iTrust leverage effect

Benefits of its implementation





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REFERENCES
& EXTRAS

REFERENCES & EXTRAS

- **FOR MORE INFORMATION ABOUT OUR TEAM EXPERIENCE AND TRACK RECORD SEE:**

<https://www.relp.ngo/renovar>

<https://case.hks.harvard.edu/untapped-potential-renewable-energy-in-argentina/>

<https://case.hks.harvard.edu/integrating-renewable-energy-in-argentina/>

- **FOR FURTHER INFORMATION ABOUT THE ITRUST PLEASE VISIT:**

<https://www.relp.ngo/itrust>

- **FOR FURTHER INFORMATION ABOUT THE AREA PLATFORM PLEASE VISIT:**

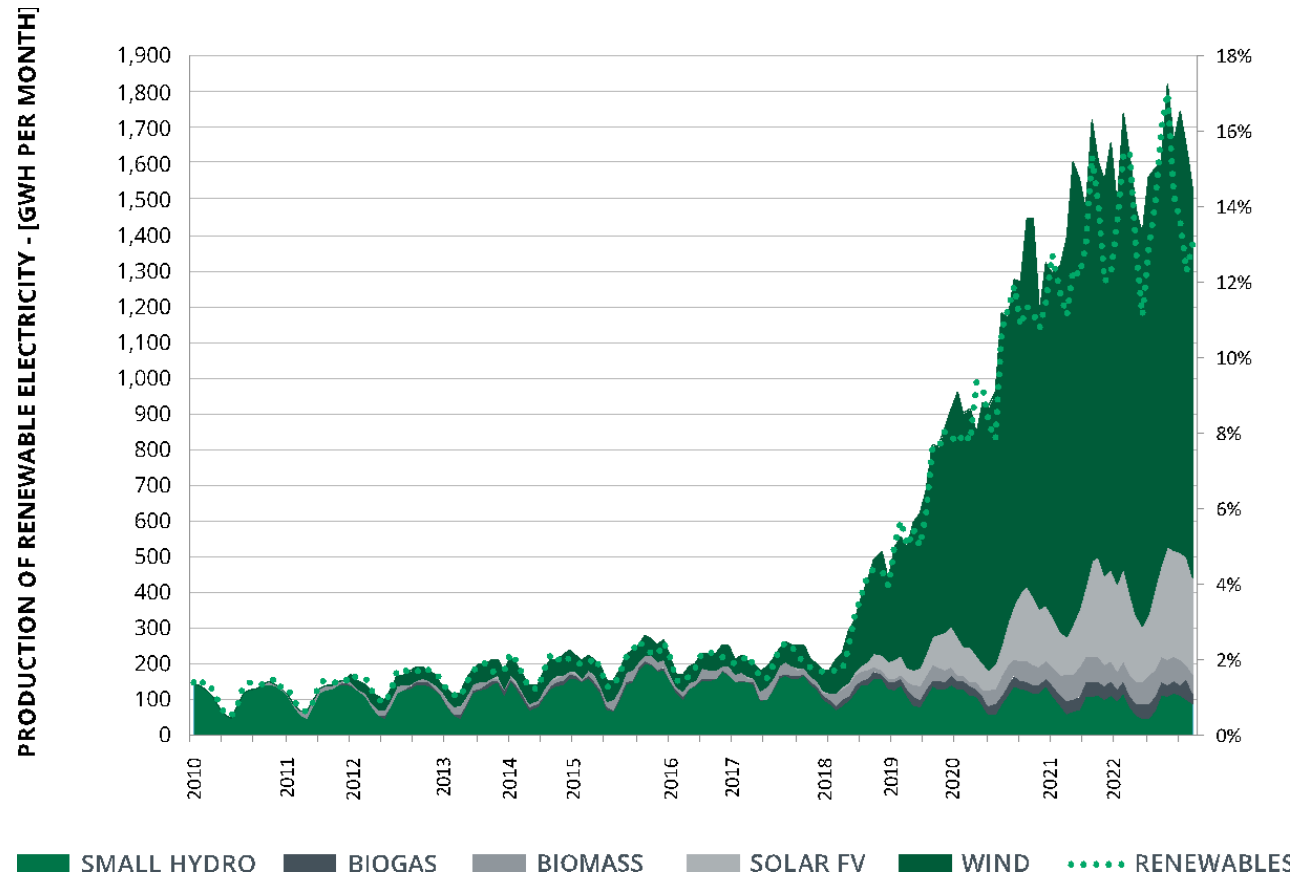
<https://www.relp.ngo/platform>

<https://infratech.gihub.org/infratech-case-studies/tech-solutions-address-challenges-in-infrastructure-procurement/>

IMPACT OF OUR WORK IN ARGENTINA

(RenovAr + Corporate PPAs)

MONTHLY GENERATION



HIGHLIGHTS

- **Private investment**
 - > US\$ 10B private investment
 - 10x leverage on guaranteed amounts
- **RE generation**
 - > 30% peak share
 - 16% average share (1Q23)
 - > US\$ 2B fuel savings (2022)
 - > 200Mt CO₂e avoided (20-year)
- **Vestas' #3 global market (2019)**
- **#1 Latam and #9 Global EY-RECAI (2019)**



PHOTO: Crown Prince Frederik of Denmark visiting the first commissioned wind turbine manufactured by Vestas in Argentina



PHOTO: Altiplano & La Puna solar farms, RenovAr Programme, Argentina

Argentina became the 3rd global market for Vestas* in 2019

* World largest wind turbine manufacturer



PHOTO: Jim Yong Kim, president of the World Bank Group visiting Argentina

“The renewable energy agenda in Argentina is the most interesting in the world at the moment”

Lizabeth Bronder
Director LAC, IFC
(Reuters, 2017)

“RenovAr is the way to go”

Jim Yong Kim
President of the World Bank Group (2017)



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PHOTO: Altiplano & La Puna solar farms, RenovAr Programme, Argentina