

Learnings from Bangladesh Industrial Energy Efficiency Finance Program

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Track 1: Innovations in Energy Efficiency

Session 17: New Models for Investing in Energy Efficiency Projects and Businesses

June 10, 2016 | Philippines



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Bangladesh Industrial Energy Efficiency Finance Program

Project Objective _____

- Energy Audit in Six Target Industrial sectors: Textile, Ceramics, Iron and Steel, Cement, Chemical and Agro.
- Build the capacity of Financial Institutes (FI) and local Banks for financing energy efficiency projects.

Key Outputs _____

- Investment Grade Energy Audit Reports for 120 industries.
- 3 Capacity building workshops for FI's and Banks engaging 40 such Institutions.
- Final Conference and Exhibition engaging 300 stakeholders: Industries, FI's, Government and Manufacturers of EE equipment.
- Financial tools and manual.

Asian Development Bank (ADB)

Client

_____ End Client _____

- ✓ Industries in Bangladesh
- ✓ Financial Institutions and Banks in Bangladesh

Team

30 Members. 9 International Consultants, 13 National Consultants and other support staff. —— Project Period ——

December 2012 to May 2014

Results from Energy Audits

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Sector	Audited Co's	Investment Opportunity	Annual Savings	Energy Savings	Avg. Pay Back	Avg. IRR	CO2 Reduction
	(No.)	(USD million)	(USD million)	(%)	(years)	(%)	(Tons)
Textiles & Leather	22	4.45	1.37	32	3.25	25	19,309
Steel & Iron	20	10.42	5.11	41	2.04	32	52,605
Cement & Clinker	20	70.9	22.85	23	3.1	28	28,116
Ceramics & Glass	20	37.3	10.12	25	3.69	23	28,961
Chemicals & Fertilizers	20	4.25	1.33	24	3.24	25	16,530
Agro-industries	18	12.34	4.69	18	2.63	25	24,921
Total	120	139.76	45.5	30	3.07	25	170,342

Implementation Status



S.N.	Sector	Industries implementin g EE suggestions	Own Funding	Actively Looking for Finance	GHS Reduced (Tons)
1	Textile & Leather	2	1	1	1,755
2	Steel & Iron	5		5	13,151
3	Cement	3		3	4,217
4	Ceramic and Glass	5		5	7,240
5	Chemical	3	1	2	2,480
6	Agro and Jute	4	4	-	5,538
	Total	22	6	16	34,382

Source: Based on inputs provided by audited companies. Till FY 2015



Key Learnings - Industry Perspective



Key Learnings - Fl's and Bank Perspective





Key Learnings – Government's Perspective

Favorable Policies



- Government to create favorable policies and partial risk guarantee scheme
- Policy support for absorbing the surplus power from industries at market rate.
- Standardize energy saving and finance for key country specific equipment-gas generator, Motor, boiler etc.

Key Learnings – Manufacturer's Perspective



- Equipment manufacturers should sensitize the industry and make associations with FI's for risk sharing
 - Equipment manufacturers to give performance guarantee/ bear the performance risk

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Thank you

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