

 Early Warning System

ADB-48224-002

Demand-Side Energy Efficiency Sector Project



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2016-09-30
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 200.00 million



Project Description

DESCRIPTION

The Asian Development Bank (ADB) will provide a loan to Energy Efficiency Services Limited (EESL), to be guaranteed by the Government of India, to support demand-side energy efficiency investments in several Indian states. EESL was set up as a government-owned energy services company (ESCO) to facilitate energy efficiency investments, including work designing, implementing, monitoring and investing in energy efficiency projects. ADB's loan will cover high-priority areas under EESL's ESCO business namely through use of: (i) more efficient light-emitting diode (LED) municipal street lighting equipped with remote operating technology; (ii) more efficient domestic lighting through replacement of incandescent lights with LEDs; and (iii) more energy efficient agricultural water pumps. EESL estimates that energy savings of 80% can be achieved in the domestic lighting programs and 30% can be achieved with more efficient pumps. Savings will result in lower electricity bills for consumers, peak power shaving, and reduced commercial losses for distribution companies. The project will also demonstrate the potential for energy efficiency achievements and scalability of the ESCO model for realizing energy savings in India.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

The government has determined that increased end-use efficiency is critical to contain energy demand without jeopardizing growth. In 2015, the government pledged to reduce the energy intensity of its economy by 33%-35% below 2005 levels by 2030. A recent ADB report suggested that achieving an intermediate target of 20%-25% energy intensity reduction by 2022 will require investing approximately \$68 billion in efficiency measures. But realizing the potential of energy efficiency in India faces several barriers: (i) regulatory challenges as electricity is subsidized and energy efficiency programs are voluntary; (ii) institutional challenges as capacity to support needed scaling of energy efficiency is limited; (iii) financing the up-front costs can be high for energy efficiency technologies, but project sizes are small from a lender's perspective, and returns may be difficult to analyze; and (iv) limited understanding of energy efficiency technologies and associated benefits limit the uptake.

IMPACT

Market for energy-efficient technologies expanded (National Mission for Enhanced Energy Efficiency)

Emissions intensity of economy reduced (India's intended nationally determined contribution to the United Nations Framework Convention on Climate Change)

CONSULTING SERVICES

It is unknown whether any project implementation consultants would be hired under this loan. If so, quality- and cost-based selection (QCBS) with a quality-cost ratio of 90:10 will be used. The consultants will be engaged in accordance with Guidelines on the Use of Consultants (April 2013, as amended from time to time)

PROCUREMENT

Energy Efficiency Services Limited (EESL) will serve as the executing agency and will implement all subprojects under the ADB loan. ADB assistance will be used to support municipal, domestic and agricultural energy efficiency projects already identified by EESL. A project director within EESL will oversee implementation of projects under the ADB loan and GEF grant will coordinate the individual subprojects across all municipalities and distribution companies and ensure compliance with ADB requirements.



Investment Description

- Asian Development Bank (ADB)



Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>

CONTACTS

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Bank Documents

- Demand Side Energy Efficiency Investment Project: Project Data Sheet (hindii)
- Demand-Side Energy Efficiency Investment Project: Environmental Assessment and Review Framework [Original Source]
- Demand-Side Energy Efficiency Investment Project: Initial Poverty and Social Analysis [Original Source]
- Demand-Side Energy Efficiency Investment Project: Procurement Plan [Original Source]
- Demand-Side Energy Efficiency Investment Project: Project Administration Manual [Original Source]
- Demand-Side Energy Efficiency Investment Project: Project Preparatory Technical Assistance Report [Original Source]
- Demand-Side Energy Efficiency Investment Project: Report and Recommendation of the President [Original Source]
- Demand-Side Energy Efficiency Investment Project: Resettlement Framework [Original Source]
- Guarantee Agreement (Ordinary Operations) for Loan 3436-IND: Demand-Side Energy Efficiency Sector Pr
- Loan Agreement (Ordinary Operations) for Loan 3436-IND: Demand-Side Energy Efficiency Sector Project
- Project Disclosure PDF



Other Related Projects

- ADB-48224-001 Demand-Side Energy Efficiency Investment Project
- ADB-48224-003 Demand-Side Energy Efficiency Sector Project - Additional Financing