Early Warning System

IFC-47975

Brookfield RJ

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Quick Facts

Countries	India
Specific Location	Kawani village, Bikaner, Rajasthan
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-11-09
Borrower	BGTF HOLDINGS (DIFC) LIMITED
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 95.00 million
Loan Amount (USD)	$ 95.00 million
Project Cost (USD)	$ 317.00 million

Project Description

Brookfield RJ is a group of special purpose vehicles (SPVs) developing ~560 MWp portfolio of ground mounted open access solar plants on one contiguous polygon in Bikaner District, Rajasthan (site coordinates: 28°08'04.4N / 73°06'32.4E) supplying power to commercial and industrial clients through a long-term power purchase agreement and sale of power on exchange such as Indian Power Exchange. The proposed investment consists of senior debt financing of up to US$95 million in INR equivalent to finance the development of the solar plants.

At the time of IFC's appraisal in May 2023, the Sponsor and the Engineering, Procurement and Construction contractor (Jakson Green Pvt Ltd. https://www.jakson.com/) were preparing to start construction. Total project capacity will be 560 MW DC / 400 MW AC. Total land area required is approximately 680 hectares. This land is being acquired through voluntary 29-year lease agreements negotiated with over 100 private landowners by renewable energy firm Aright Greentech (https://arightgreentech.com/). Project power will be channelled through the new Bikaner II substation via a 220 kV transmission line with a length of 10.5 km.

Bikaner District is situated in the middle of the Thar desert and has a hot desert climate (Köppen climate classification BWh) in Western India with very little rainfall and extreme temperatures. The closest settlement to the project site is Kawani village situated 600 meters to the northeast where many of the landowners who agreed to lease land to the project live. The land for the project site and transmission line consists mainly of open scrublands and modified rainfed agricultural lands.

ENVIRONMENTAL AND SOCIAL INFORMATION

This is a Category B project according to IFC's Policy on Environment and Social Sustainability (2012). Key E&S issue and risks associated with the project include: (i) EPC procurement & contractor E&S management; (ii) cumulative impacts on water resources, and loss of agricultural land; (iii) construction phase impacts related to OHS, traffic risks, community safety & waste management; (iv) labour aspects in line with PS 2 requirements; (v) operation phase impacts related to water use, drainage, and waste management (broken solar panels); (vi) land procurement process & alignment with PS 5 requirements and physical/economical displacement from land acquisition (if any) for RoW of the T-line; (vii) supply chain aspects related to procurement of solar panels and cells; (viii) stakeholder engagement.

Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated to be approximately US$ 317 million. IFC’s proposed investment will be a long term senior loan of US$95 million in INR equivalent.

Private Actor Relationship

The SPVs are wholly owned by BGTF Holdings DIFC Limited. BGTF Holdings is 80% held by Brookfield Asset Management, and 20% Brookfield Renewable, collectively referred to as the Sponsors (https://www.Brookfield.com).

Private Actors Description

As stated by the IFC, BGTF Fund is a US$15 billion fund with a mandate to invest in decarbonization opportunities such as green/blue steel, green hydrogen, carbon capture, EV build outs, etc.

Brookfield Renewable is one of the world's largest publicly traded platforms for renewable power and decarbonization solutions. Their diversified 21,000 MW capacity portfolio consists of hydroelectric, wind, solar, distributed energy, and sustainable solutions across five continents.

Brookfield has over US$750 bn of assets under management across renewable power & transition, infrastructure, private equity, real estate, and credit; US$22 bn of AUM is in India which includes US$11bn in infrastructure, US$8 bn real estate, and US$3 bn others.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Brookfield Asset Management	Parent Company	Finance	owns	BGTF Holdings (DIFC) Limited	Client	Finance
Brookfield Corporation	Parent Company	Finance	owns	Brookfield Asset Management	Parent Company	Finance
Brookfield Corporation	Parent Company	Finance	owns	Brookfield Renewable Partners	Investor	Energy
Brookfield Renewable Partners	Investor	Energy	invests in	BGTF Holdings (DIFC) Limited	Client	Finance

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary