Private Sector Engagement in Microgrids

COURTNEY BLODGETT
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Photo: PowerGen Renewable Energy
State of Energy Access

• $45 billion annually needed to achieve universal electrification by 2030
• $19 billion was provided in 2013-2014 from all actors for electricity (fossil fuel and renewable)
• Finance commitments for decentralized energy were very small -- $200 million annually

➢ Sustainable Development Goal (SDG 7) for energy access is not on track to be met
➢ Progress in electrification needs to advance much faster if the world is to achieve universal energy access by 2030

Source: SE4All

Photo: MeshPower Ltd
Rural Electrification via Microgrids

Microgrids are one solution to connecting the rural unconnected. Microgrids:

• Are sized to the community’s needs
• Can be powered by clean, reliable solar electricity
• Require no expensive transmission lines
• Include remote monitoring which allows for detailed data collection and minimized operating costs.

➢ The private sector is eagerly engaging in the microgrid sector

Photo: Vulcan, Inc
Microgrid Investment Accelerator

- Microgrid Investment Accelerator (MIA) was created in 2017
- Aims to accelerate rural electrification through the deployment of private sector microgrids
- Private sector lead initiative which brings together various stakeholders.

### Founding partners

- Facebook
- Microsoft
- Allotrope

### Implementing partners

- Electric Capital Management
- Morrison Foerster
- Crossboundary Energy
- cKers Finance
- California Clean Energy Fund
- GivePower
MIA’s Ecosystem Approach

- Engagement with implementing & co-financing partners
- Policy partnerships
- Productive end use financing partnerships
- Financial product services
- Data collection & analysis
- Accelerators and incubators
MIA is a Blended Capital Finance Facility

$12.5 million (MM) of seed grant capital unlocks $115 MM+ of private investment

- $12.5 MM Grant Seed Capital
- $17.5 MM Equity
- $20 MM Debt
- $10 MM Reinvested
- $60 MM Co-Investment
Conclusion

MIA was developed to help the private sector succeed in the microgrid sector. Private microgrid operators can:

- Provide reliable, clean electricity service to rural customers while being financially sustainable
- Ensure that the rural electrification sector continues to innovate
- Help countries to meet their NDC clean energy targets

The private sector is engaging with all partners:

- Governments which can offer enabling frameworks
- Multi-lateral institutions and donors who can offer support
- Customers who offer their opinions, desires, and concerns
Thank you!

For additional information about MIA, visit: www.microgridinvest.org

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