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DEEP DIVE WORKSHOP ON ENERGY EFFICIENCY

SUSI Partners Asia | June 2022

FINANCING ENERGY EFFICIENCY PROJECTS ACROSS SOUTH EAST ASIA

While energy efficiency has been recognised as one of the most effective ways to achieve multiple social, environmental, and economic benefits, as a sub-sector of the wider renewable energy industry, it is still nascent in South East Asia, and faces growing pains and a less than ideal adoption rate

PRIVATE SECTOR FOCUS

- Energy efficiency is still very much a private sector play in South East Asia as government bodies try to keep up with increasing consumption while reducing reliance on fossil fuels. Most governments in the region are focused on the deployment of utility-scale renewable energy projects as additive measures
- There is still a significant gap between investment opportunities in energy efficiency and the level of actual investments in energy efficiency in most countries

FINANCING CONSIDERATIONS

- Financing is a key consideration for clients / offtakers when implementing energy efficiency measures
- Clients / offtakers are usually hesitant to deploy CAPEX amounts as energy efficiency is not their key competency and hardly falls in line with business strategy
- On the other hand, banks are typically hesitant to finance projects which are comparatively smaller than their utility-scale counterparts, and the profile of servicing energy efficiency loans with savings generated from improved efficiency is not deemed too favourable
- SUSI Partners bridges this gap by taking CAPEX amounts for the implementation of energy efficiency measures off the books of clients / offtakers. Clients / offtakers enjoy energy savings and a reduction in carbon emissions, and can pay for the system with these savings over the life of the project

CREDIT RISK

- Private sector financial sponsors / investors end up with exposure to credit risk of the offtakers
- SUSI Partners works with development partners very closely to ensure that we onboard customers with the right profile

