The EBRD

• Multilateral financing institution established in 1991 to support transition to market economies
• Owned by 66 countries, the EU and the EIB
• €30 billion capital base
• €41 billion portfolio
• €9.5 billion average annual business in the past 3 years

3 key operational principles
• Sound banking
• Transition impact
• Environmental sustainability

Central Europe and the Baltic states
01 Croatia
02 Estonia
03 Hungary
04 Latvia
05 Lithuania
06 Poland
07 Slovak Republic
08 Slovenia

South-eastern Europe
09 Albania
10 Bosnia and Herzegovina
11 Bulgaria
12 FYR Macedonia
13 Kosovo
14 Montenegro
15 Romania
16 Serbia

Eastern Europe and the Caucasus
17 Armenia
18 Azerbaijan
19 Belarus
20 Georgia
21 Moldova
22 Ukraine

Central Asia
23 Kazakhstan
24 Kyrgyz Republic
25 Mongolia
26 Tajikistan
27 Turkmenistan
28 Uzbekistan

Southern and eastern Mediterranean
29 Egypt
30 Jordan
31 Lebanon

32 Morocco
33 Tunisia
34 West Bank and Gaza
35 Cyprus
36 Greece
37 Russia
38 Turkey
Distributed RE: Definition

- Distributed RE usually refers to a generating plant connected directly to the grid at distribution level voltage or on the customer side of the meter.
- Projects that are intended primarily for self-consumption (owned/leased by the consumer OR by a third-party with a direct arrangement with a specific consumer[s]).
- Usually 10 MW or less, so as to allow interconnection at nearly any point in the power system.
Globally, the IEA anticipates that growth of distributed RE capacity (in particular PV) will continue to grow significantly – largely due to economic factors (i.e. declining costs for RE equipment)
EBRD financing for distributed RE and supporting policies

Smaller scale projects approx. sub 500kW-1 MW in residential and C&I sectors*:

Policies that improve project bankability and thus market size:
- Single-owner net-metering
- Basic-meter aggregation
- Tenant meter aggregation
- Multi-site aggregation
- Virtual net metering or community RE
- On-site corporate PPAs

EBRD has launched GEFF in Albania in early 2019. Currently, Union Bank and Fondi Besa are GEFF recipients.

* - indicative size – in some markets this is much higher, e.g. in Egypt up 6 MW.
EBRD financing for distributed RE and supporting policies

Smaller scale projects approx. 500kW/1MW to 10MW

- Corporate / project finance
  - Fixed or floating rate.
  - Senior, subordinated, mezzanine or convertible debt.
  - Denominated in major foreign or local currencies.
  - Short to long-term maturities up to 10 years
  - Project-specific grace periods may be incorporated
- Equity
- Guarantees

Policies that improve project bankability and thus market size:
- Multi-site aggregation
- Virtual net metering or community RE
- On-site corporate PPAs
- Off-site corporate PPAs / power wheeling
EBRD support for distributed RE and experience

• EBRD has a significant portfolio of distributed RE investments
• Alongside our financing, EBRD on request from Governments supports putting in place enabling policy frameworks for distributed RE. Some examples of on-going PD assistance:

  ➢ Lebanon – “Introduction of a Legal Framework for Distributed RE”
  ➢ Azerbaijan – “Support for the implementation of an enabling policy framework for small-scale renewable energy (in the context of a new energy law)”
  ➢ Kazakhstan – “Study on mechanisms for the development of small-scale renewables in Kazakhstan to inform policy reform”
  ➢ Armenia – “Support for enhancing legal framework for small-scale renewables”

• A stable policy / legal framework is crucial for investments in distributed RE and retroactive changes are a risk for investments. Such changes have occurred in some of our COOs when policy frameworks did not give due consideration to implementation complexities and associated costs for distribution / transmission system operators
• A phase-in approach may be prudent: i.e. simple net-metering first and then move towards more complex arrangements such as virtual net-metering
Thank you!

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