

Solutions Factory
Speed Dating on Clean Energy Innovation

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Hyatt Regency, New Delhi

Despite the advances made in the solar and wind sectors in recent years, the flow of investments into India's clean energy market has remained stable at the USD 10 billion range for the past few years. With price decline, the quantum of renewable energy financed despite the plateaued investment amount is on the rise. However, investment in the early stages of development of new clean energy (and related) technologies and business models continues to be limited. Market evidence suggests that clean energy start-ups struggle to raise capital in what is identified as the 'second valley of death' - the prototype to market stage. To accelerate the pace of the energy transition there is an urgent need to support innovation in technology, business models, and financing structures.

Initiatives by the government (such as the Ministry of New and Renewable Energy's Special Area Demonstration Project fund) focus on large-scale projects wherein selected organisations must have mature market models and substantial capital stocks. This is difficult for early-stage ventures. Multilateral organisations finance technology demonstrations; however, not at the scale required, and their lines of credit often result in the crowding *out of* private investment by providing more-than-favourable terms to investees. Despite some activity through innovation labs and accelerators, not enough capital is flowing to what is often perceived to be a capital-intensive innovation sector.

To address the funding gap for early-stage innovations in clean energy, CEEW Centre for Energy Finance (CEF) will present a 'Business Demonstration Facility' designed to work within and leverage the existing ecosystem to make capital available to scale innovations (business and technological) in underserved and new clean energy sectors. This in turn will create market depth in new sectors and aid the efficient and timely advancement of the energy transition in India. It is in this context that this Solutions Factory has been conceived.

The Solutions Factory hosted as part of Energy Horizons 2019, CEEW's annual flagship event, designed as an investor pitch, will showcase three early-stage innovations that are yet to reach scale. A panel of experts, representing various investor categories, will do an open evaluation to provide an insight into the metrics on which innovations are evaluated.

The session participants will include early-stage venture funders, clean energy start-ups, existing market players such as IPPs, government officials, representatives of international philanthropies, development finance institutions (DFIs), and civil society actors.

With this Solution Factory we aim to achieve the following objectives:

- Identify the gaps that deter investors from investing in early-stage ventures in energy space
- Debate mechanisms to bridge the gaps between investors and energy start-ups
- Seek feedback on the Business Demonstration Facility and the role it should play