Project Summary

Project Background
A lot of businesses in emerging markets are challenged by costly, unreliable or unavailable grid power. Most of them deploy a dedicated power plant. To satisfy electric and thermal energy needs. While the business case for dedicated distributed energy generation is convincing in many cases, potential sponsors (i.e. large energy consumers) are reluctant to enter new areas of activity which lie outside their core competencies. Moreover, many of these companies are unaware of reliable, knowledgeable and capable partners to build, operate, and potentially own energy generation facilities. As a result many captive and distributed energy supply opportunities remain untapped and companies stick to economically sub-optimal supply from diesel generators in combination with bad grid supply.

Project Objectives
To facilitate the match-making between captive power sponsors and energy solutions providers an overall market assessment and an in-depth mapping for initially one focus country is commissioned. The result of this assignment will inform IFC’s internal work in the captive/distributed energy generation context, but should also lend itself to future external publication.

Project Results
Conduct a study on the possibilities for Build Operate Own (Transfer) (BOO(T)) market mechanisms within the captive power market, preferably based on RE solutions. The study consists of 2 main parts:

• Global market assessment: Assessment of the global market for those solutions and best practices.
• Pakistan mapping: Mapping of the situation in Pakistan, consisting of a service provider mapping and an assessment of potential off-takers.

Services Provided
• Implementation of a study of the international best practice for BOO and BOT financing models for energy infrastructure investments aiming for captive and distributed energy supply solutions;
• SWOT analysis of different models in relation to energy supply issues for the industry and general public in off-grid areas in Pakistan;
• Identification of BOO and BOT investors in Pakistan including description of success factors for BOO and BOT projects in Pakistan with focus on the renewable energy sector;
• Development of model criteria for successful BOO or BOT projects in the energy sector in Pakistan.

Pakistan

Build Operate Own (Transfer) (BOO/BOO(T)) energy solution provider and off-taker mapping

Client
International Finance Corporation (IFC)

Duration
01/2014 - 04/2014

Personnel

• 2 internat. STE (1,7 PM, Team leader, Energy economist)
• 2 national STE (1,5 PM)