Energy+ New Delhi Polling Question Results Comparison

I. Profile of Participants

<u>Areas of Similarity</u>

Participants were experienced in developing countries and remain active in these markets: 50% of participants had over 5 years of experience in India, and 58% of participants indicated that over half of their business was focused in the country. In addition, 93% reported being somewhat or very active in funding/investing/implementing renewables projects in developing countries, compared to 83% in Nairobi, 80% in Guangzhou, and 74% in Washington DC.

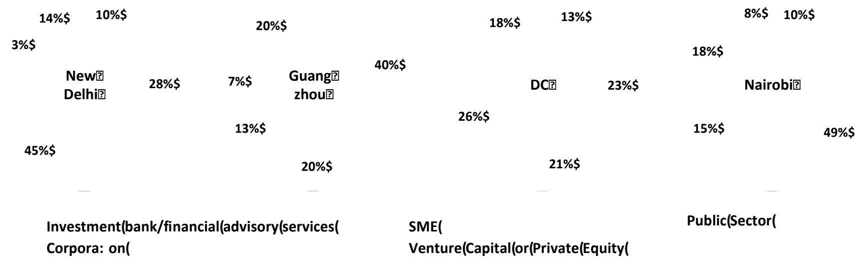
Participants were focused primarily on renewable energy and energy efficiency: 71% of participants indicated that over half of their business was focused on renewable energy or energy efficiency, compared to 72% in Nairobi and 60% in Guangzhou and Washington DC. As in previous consultations, solar/PV was identified as the area where participants had the most experience with 66%, while efficiency was second with 14%.

Participants identified projects in the range of $1 - $100 million as those they were most familiar with and interested in: 50% of participants identified renewable energy and energy efficiency projects in the range of $1 -$100 million as the average scale of investment they were most frequently involved with and interested in. This compares to 57% in Nairobi and Washington DC, and 45% in Guangzhou. The second most popular range for projects was below $1 million, with 33% of participants selecting this option, compared to 31% in Nairobi, and around 20% in Guangzhou and Washington DC.

<u>Most Notable Differences</u>

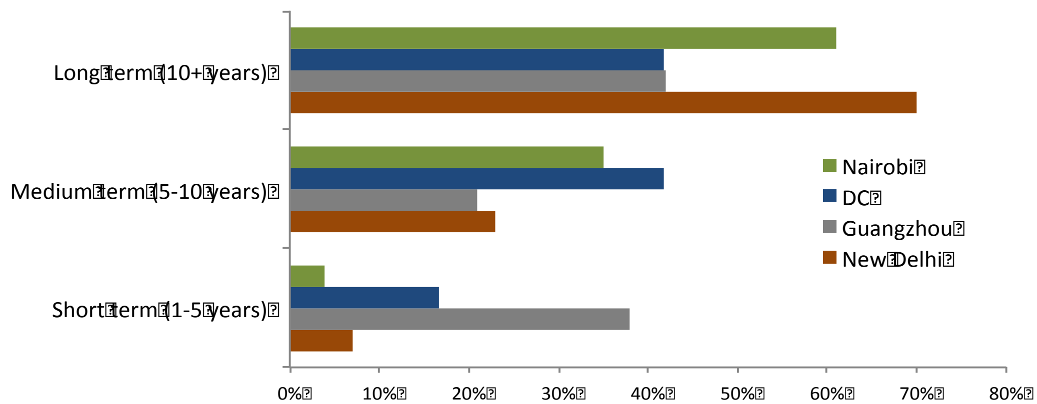
There was a far greater number of participants from corporations at the New Delhi conference: 45% of the participants in New Delhi represented corporations, compared to 13% in Guangzhou, 15% in Nairobi and 21% in Washington DC. Across the other options–investment bank or other financial advisory services, SME, venture capital (VC) or private equity (PE)–there was relative consistency with past consultations, although there were far fewer participants from VC and PE (3%), as compared to Washington DC (26%) and Nairobi (18%).

What type of organization do you represent?



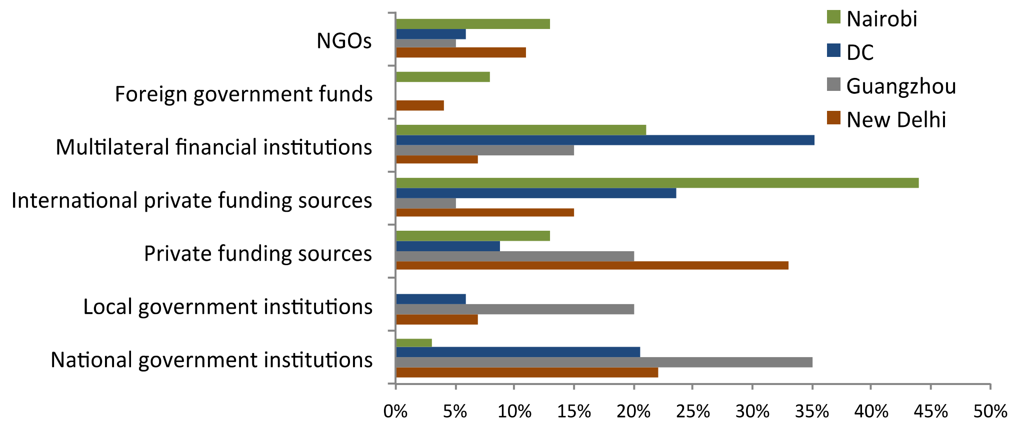
There was a greater focus on long-term opportunities for renewables among the participants in the New Delhi and Nairobi conferences: 70% of participants in New Delhi indicated they were looking for long-term (10+ years) renewables opportunities, roughly in line the 60% of participants who selected this option in Nairobi. This compares to the 42% of participants in Guangzhou and Washington DC who selected this option.

Are you looking for long- or short-term renewables opportunities in developing countries?



Participants in New Delhi were more experienced working with private funding sources and substantially less experienced working with multilateral financial institutions: 33% of participants in New Delhi identified private funding sources as the institution they had previously worked most closely with to finance/plan/implement renewable energy and energy efficiency projects. In Washington DC, Nairobi, and Guangzhou, 9%, 13%, and 20% of the respective participants selected this option. Meanwhile, only 7% of New Delhi participants selected MFIs as the institution they had worked most closely with, compared to 35% in Washington DC, 21% in Nairobi and 15% in Guangzhou.

Which institutions have you previously worked most closely with to finance, plan, and implement RE/EE projects?



II. Challenges and Success Stories

<u>Areas of Similarity</u>

Working in India is attractive to participants because of its untapped market potential, a sentiment shared in other consultations about developing markets: 67% of the participants in New Delhi indicated that the primary reason working in India is attractive is because of its untapped market potential. 61% of participants in Nairobi selected this option to describe Kenya, while 72% of participants in Washington DC selected this option when describing developing countries more broadly. 46% of participants in Guangzhou selected this option to describe China, although the same percentage also said a long-term social objective was why working in China is attractive.

For renewables, participants identified similar primary metrics for evaluating project success and a similar track record of success: Over half (54%) of the participants in New Delhi used rate of return/profitability as the primary metric for success. This option was also the most popular in Guangzhou, Nairobi, and Washington DC with 57%, 43% and 86% respectively. 47% of Participants in New Delhi also indicated that it was too early to determine the performance related to renewables, a similarly popular choice in Nairobi and DC with 57% and 40% respectively and the second most popular choice in Guangzhou with 29%.

With the exception of Nairobi, nearly half the participants across the consultations identified a lack of a regulatory framework conducive to investment as the greatest risk for on-grid renewables: 48% of participants in New Delhi identified the lack of a conducive regulatory framework as the greatest risk to developing renewables in on-grid electrification, in line with 54% in Guangzhou and 50% in Washington DC who selected this option.

Market factors were identified by participants across the consultations as a critical risk for energy-related commodities: 40% of participants in New Delhi identified market factors–monopolies, oligopolies, and uncompetitive market environments, among others– as the greatest risk in energy related commodities. This is in line with 58% in Nairobi, 42% in Guangzhou and 32% in Washington DC who selected this option.

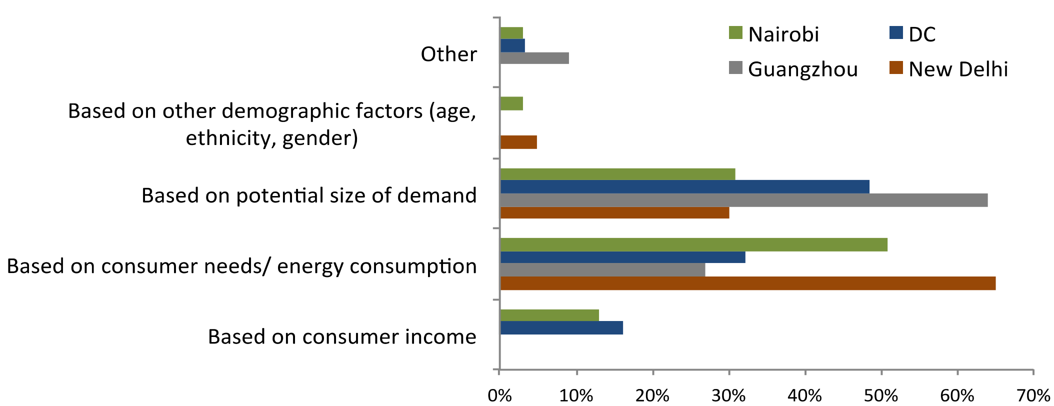
For energy efficiency projects, participants indicated that the greatest risks were the lack of a conducive regulatory framework and financing issues: Participants in New Delhi indicated that financing issues (37%) and a lack of a regulatory framework that is conducive to investment (46%) were the greatest risks to energy efficiency projects. Participants in Guangzhou (33% and 42%) and Washington DC (21% and 49%) also listed these two as the top risks, and participants in Nairobi selected financing issues as the number one threat (46%).

Participants indicated that the most progress can be made with the least intervention in stand alone off-grid, small-scale renewables projects: 43% of participants in New Delhi indicated that stand alone, off-grid small-scale renewables projects are where the most progress can made with the least intervention, a sentiment shared in Nairobi (67%) and Guangzhou (47%). 34% of participants in Washington DC also indicated this area was the one where the most progress could be made, although the same percentage chose grid extension.

<u>Most Notable Differences</u>

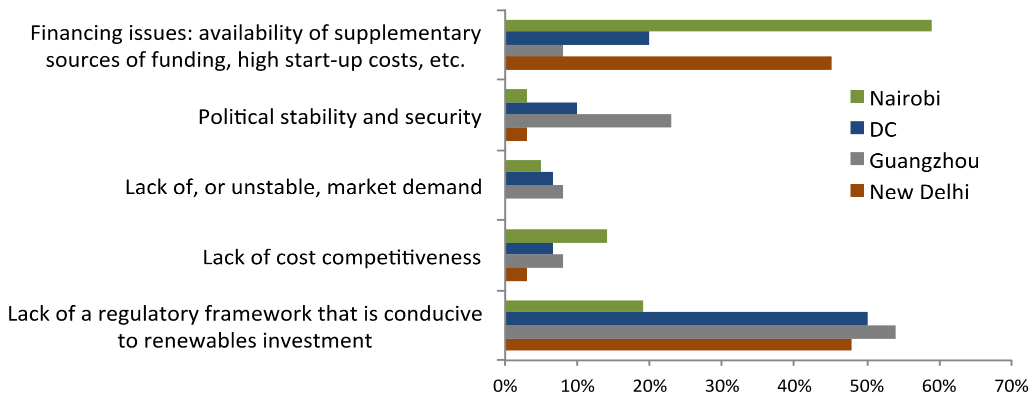
There were similar approaches to segmenting the renewables market in developing countries among participants in the New Delhi and Nairobi conferences: 65% of participants in New Delhi and 51% of participants in Nairobi indicated that when thinking about renewables investments in developing countries, they were more likely to segment the market based on consumer needs/energy consumption. This compares to 27% of participants in Guangzhou and 32% of participants in Washington DC who selected this option. Participants in Guangzhou and Washington DC were more likely to segment the market based on potential size of demand, with 64% and 48% respectively selecting this choice, compared to 30% of participants in New Delhi and 31% of participants in Nairobi.

When thinking about renewables investments in developing countries, how would you segment the market?

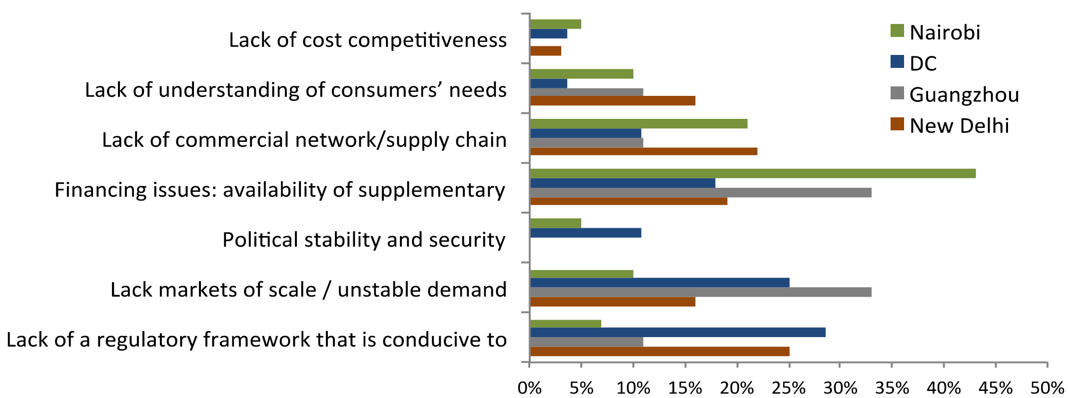


Participants in the New Delhi and Nairobi conferences identified financing issues (on-grid) and the lack of a commercial supply chain (off-grid) as similarly critical risks*:* For on-grid renewables projects, 45% of participants in New Delhi and 59% of participants in Nairobi selected financing issues–availability of supplementary sources of funding and high start-up costs, among others–as the greatest risk. This compares to the low levels of support for this choice in Guangzhou and Washington DC (8% and 20% respectively). For off-grid renewables projects, participants in New Delhi and Nairobi expressed similar levels of support for the lack of commercial network/supply chain as a major risk (22% and 21% respectively) compared to only 11% in Washington DC and Guangzhou.

What do you see as the greatest risk in developing renewables in on-grid electrification?



What do you see as the greatest risk in developing renewables in off-grid electrification?



III. Direct/Indirect Incentives

<u>Areas of Similarity</u>

Participants indicated that support from national governments was the most important factor for success for renewables: 49% of participants in New Delhi indicated support from national governments–in the form of incentives, tax preference, administrative process facilitation and elimination of corruption, among others–was the most important factor to ensure the success of renewables projects in India. Participants in previous consultations agreed, with 79% in Guangzhou and 38% in Nairobi selecting this option for their home markets and 55% in Washington DC selection this option for developing countries broadly.

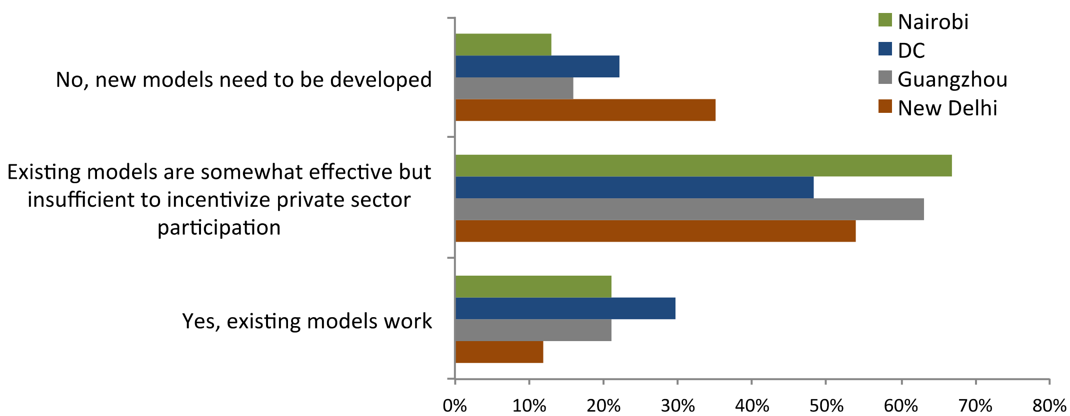
Participants indicated that the area of greatest political or regulatory concern was a clear, transparent, and enforced legal and regulatory framework: 56% of participants in New Delhi selected a clear, transparent legal and regulatory framework with enforcement of the rule of law as the greatest political and regulatory concern for renewables investments in developing countries. This sentiment was reflected in earlier conferences, with over 50% of the participants in Guangzhou and Washington DC and 35% of the participants in Nairobi selecting this choice.

The investment stage during which participants were most likely to invest is the project roll-out phase: 48% of the participants in New Delhi selected the roll-out phase of a renewable energy or energy efficiency project as the stage in which they were most likely to invest. Participants in earlier conferences also indicated this stage as their preferred phase of investment, with 52% in Washington DC, 48% in Nairobi, and 36% in Guangzhou selecting this choice.

<u>Most Notable Differences</u>

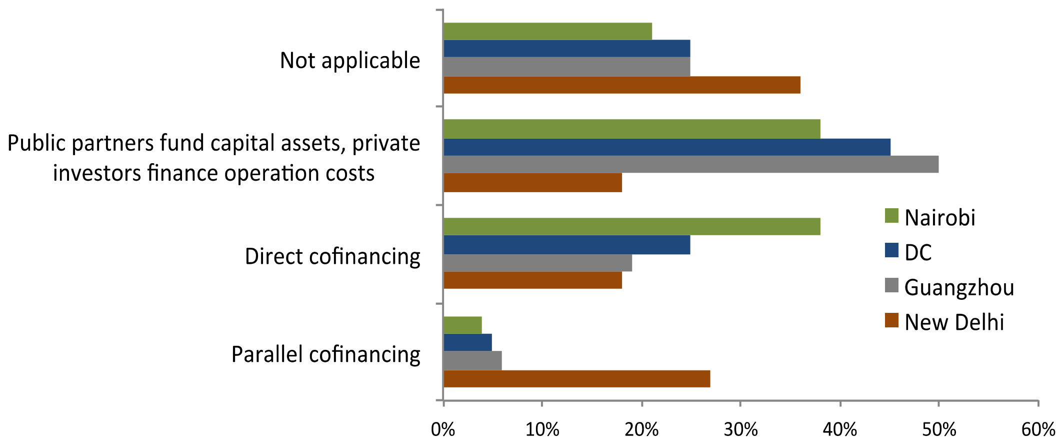
There was a greater need expressed by participants in the New Delhi conference for new project development models: 35% of participants in New Delhi indicated that existing project development models do not work, and that new models need to be developed–the highest level of support for this choice among the four consultations. This compares to 13% in Nairobi, 16% in Guangzhou and 22% in Washington DC.

Do you think there are effective project development models out there or is developing an effective model a major hurdle?

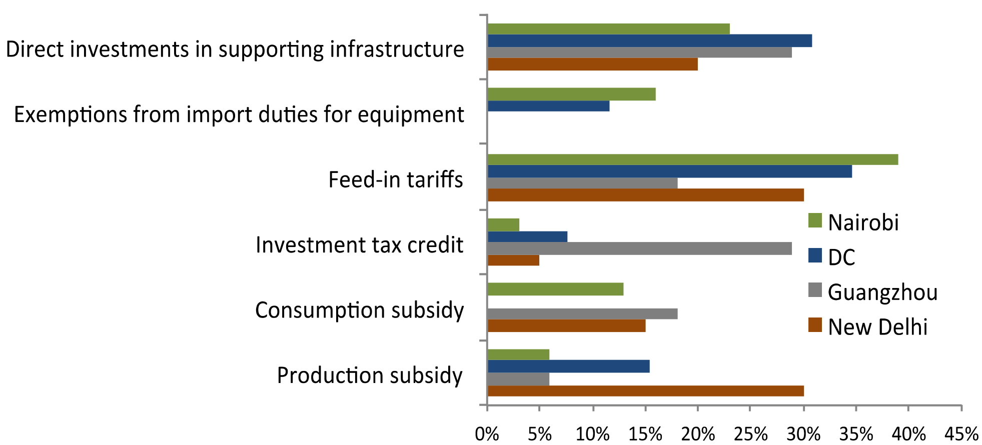


Contrary to prior consultations, participants in New Delhi identified parallel co-financing as the most attractive financing scheme and production subsidies as the most attractive policy incentive model: For financing schemes, parallel co-financing was selected as the most attractive for investors with 27% support, despite receiving only single digit support in other consultations; 4% in Nairobi, 5% in Washington DC, and 6% in Guangzhou. A scheme under which public partners fund capital assets and private investors finance operation costs received the lowest level of support in New Delhi, at 18%, despite being the most popular in the three previous consultations, with 50% in Guangzhou, 45% in Washington DC and 38% in Nairobi. For policy schemes, production subsidies were tied with feed-in tariffs as the most attractive incentive with 30% support, despite receiving single digit support in Guangzhou and Nairobi and only 15% in Washington DC.

For investors, what financing schemes are most attractive to you?



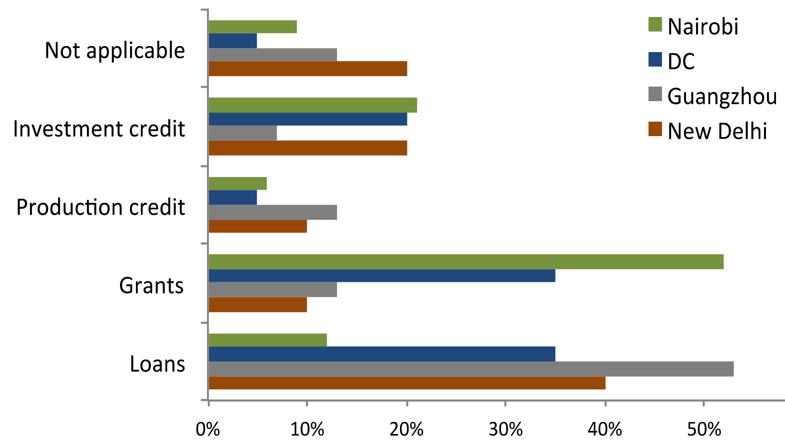
What policy incentive model do you find most attractive to implement renewables project in developing countries?



Participants in New Delhi and Guangzhou expressed low levels of support for grants, which received the highest level of support in Washington DC and Nairobi: Only 10%

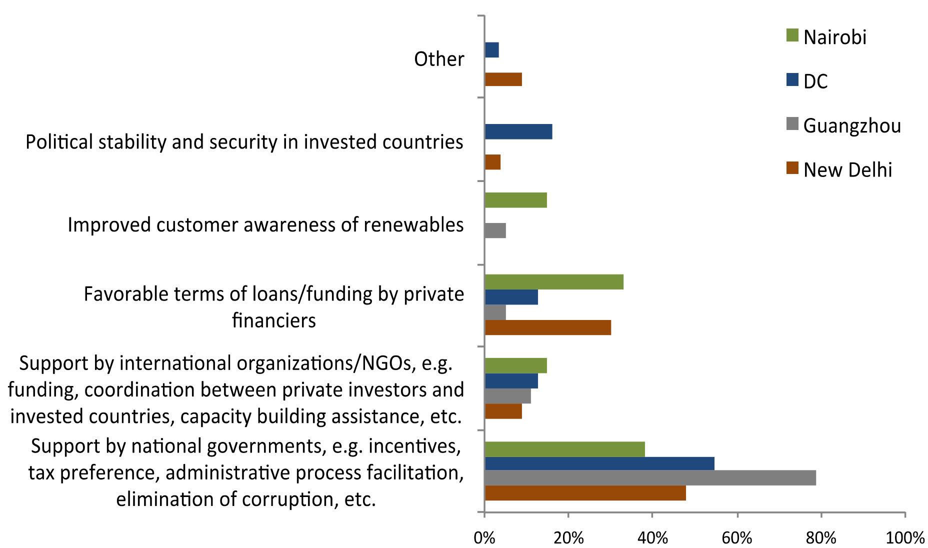
of participants in New Delhi and 13% of participants in Guangzhou selected grants as the most attractive financing tool for project developers, compared to 52% of participants who selected this option in Nairobi, and 35% who selected this option in Washington DC.

For project developers, what financing tools are most attractive to you?



When considering the most important factor for renewables success in developing countries, New Delhi and Nairobi participants identified favorable terms for funding as the second most important: While participants in all four conferences were in agreement that support by national government was the most critical factor for renewables development, there was a strong divergence in opinion about the second most important component. 30% of participants in New Delhi and 33% in Nairobi selected favorable terms for loans/funding by private financiers second, compared to only 5% who selected this option in Nairobi and 13% in Washington DC.

What do you think is the most important factor to ensure the success of renewable projects in developing countries?



IV. Role of Energy+

<u>Areas of Similarity</u>

When structuring a collaborative deal flow, participants preferred to work with local, national and international partners: As in the previous three consultations, the overwhelming majority of participants in New Delhi (79%) indicated that they preferred to work with local, national and international partners. This compares to 82% in Washington DC, 76% in Guangzhou, and 73% in Nairobi.

Participants indicated that financing was the role best served by international partners, both public and private: 58% of participants in New Delhi indicated financing is the role best served by international partners, in line with the 58% of participants who selected this option in Washington DC and the 54% who did so in Nairobi.

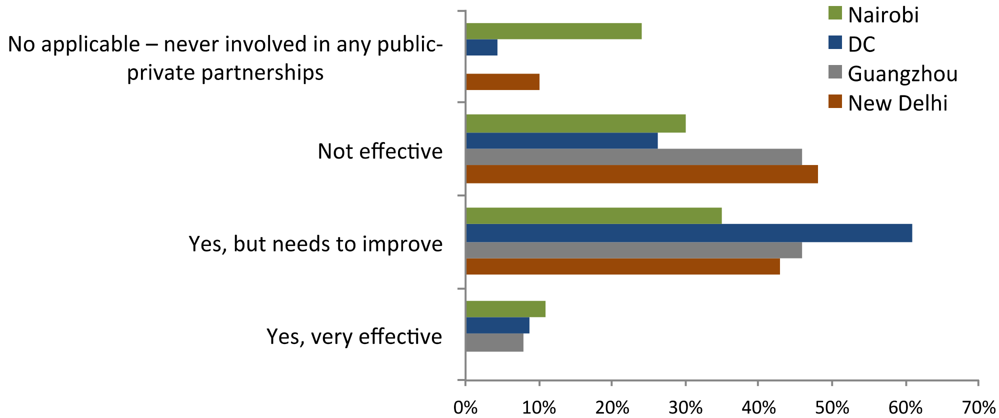
Participants selected collaborating with local business partners as the most effective strategy for increasing local involvement: 38% of participants in New Delhi indicated that collaborating with local business partners–e.g. joint venture or joint bid for concessions, among others–is the most effective strategy for increasing local involvement, an option that was equally popular in the previous consultations, with 64% of participants in Guangzhou, 61% in Washington DC, and 36% in Nairobi selecting this option.

With the exception of Nairobi, participants across the consultations were largely comfortable with disclosure to governments and wanted Energy+ to coordinate with local governments to improve the investment environment: Over 70% of participants in New Delhi, Guangzhou, and Washington DC were somewhat or very comfortable working with public institutions in terms of public disclosure, while only 41% of participants in Nairobi shared this sentiment. Over 41% of participants in New Delhi thought that the role Energy+ should play is coordinating with local governments to improve the investment environment, an option that was also popular in Guangzhou with 53% and Washington DC with 29% (though 25% selected other). Coordinating with governments received only 15% in Nairobi.

<u>Most Notable Differences</u>

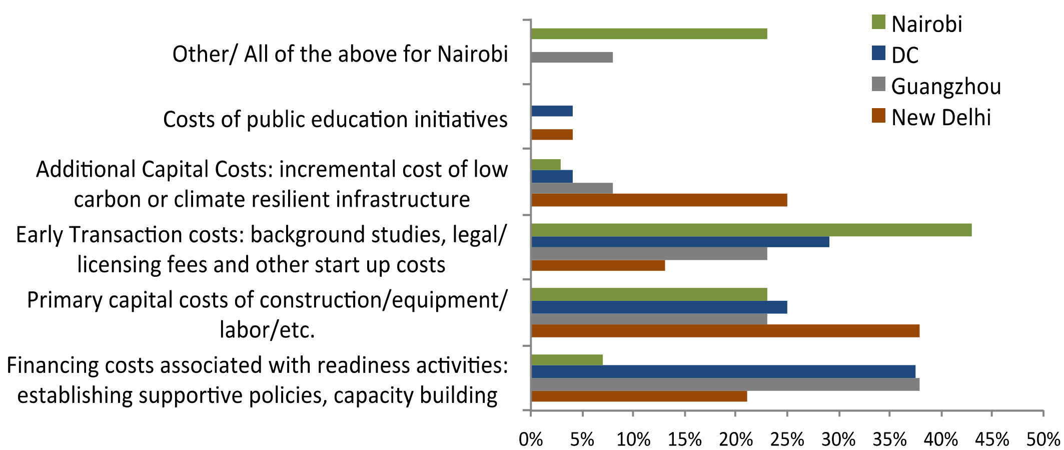
Participants in New Delhi and Guangzhou offered the greatest level of support for the view that existing public-private partnerships were not effective in promoting investment in renewables: Nearly half of the participants in New Delhi and Guangzhou–48% and 46% respectively–supported the view that existing public-private partnerships were not effective in promoting investments in renewables. This compares to 26% in Washington DC who selected this option and 30% in Nairobi.

Do you think the existing public-private partnerships are effective in prompting investments in renewables?



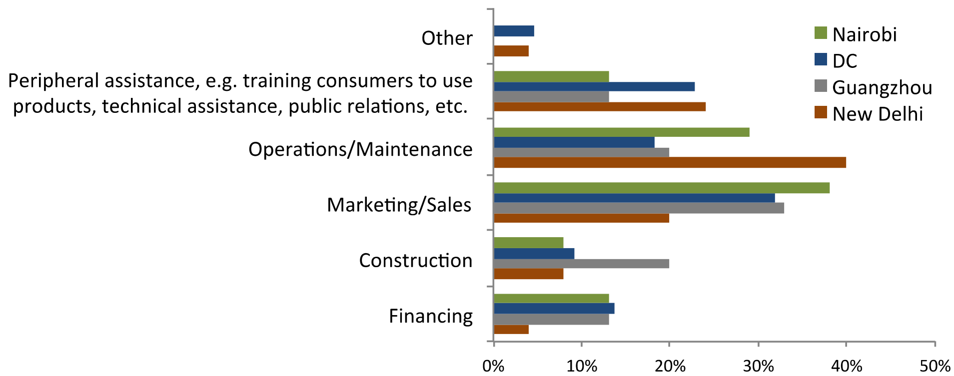
Participants in New Delhi indicated primary and additional capital costs as the financing costs most useful for international partners to bear: Participants in New Delhi showed a strong preference for international partners to bear additional capital costs–incremental cost of low carbon or climate resistant infrastructure–with 25% selecting this option compared 3% in Nairobi, 4% in Washington DC and 8% in Guangzhou. Participants in New Delhi also showed a strong preference for primary capital costs, with 38% selecting this option compared to 23% in Guangzhou and Nairobi, and 25% in Washington DC.

What financing costs are most useful for international partners to bear?



Participants in New Delhi selected operations and maintenance as the role best served by local partners, instead of marketing and sales, the most popular choice in the previous consultations: With 40% support, participants in New Delhi identified operations and maintenance as the preferred role for local partners, both public and private, compared to 18% in Washington DC, 20% in Guangzhou and 29% in Nairobi. Marketing and sales, the most popular option in the three previous consultations, received only 20% support in New Delhi, compared to 38% in Nairobi, 33% in Guangzhou and 32% in Washington DC.

What roles could be best served by local partners (public and private)?



About the Polls

The polls were conducted in a series of Energy+ private sector consultations, which were facilitated by Garten Rothkopf and the Energy+ Technical Working Group, in four cities – Washington D.C. of the U.S., Nairobi of Kenya, Guangzhou of China, and New Delhi of India. Wireless polling devices were used throughout the day of the consultations to gauge participants' opinions on various topics pertaining to investment and project development opportunities.