



Thematic dialogue

Development and transfer of
technology in distributed
renewable energy generation
and integration

Financial perspective and
challenges

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Financial perspective and challenges

- **For developing countries, financing of distributed generation is a significant challenge. High transaction costs. Restricted Availability.**
 - **At the user level, high capital cost is a substantial barrier. Lack of financing instruments/knowledge from banks (most common source of funds) ⇒ Promotion of ESCO model; “green (subsidized) loans”; tax incentives; mezzanine financing from development agencies**
 - **At the level of utilities, since required upgrades generally not recognized in the tariffs ⇒ Re-writing of regulations; incentives**
- **Pricing of energy exports. The greater the price, the faster investment is recovered, and the more likely the technology would be adopted.**
 - **Price should be set at the avoided cost to the utility (cross-subsidies?)**
 - **Complication when provider is an integrated utility. Cost separation.**
 - **Standardized contract, supervised by regulator.**

MUCHAS GRACIAS

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