



Rajasthan Renewable Energy Transmission Investment Program (Multi-tranche Financing Facility / MFF)

Country / Region: **India** | Project Id: **XCTFIN209A** | Fund Name: **CTF** |

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	John Anakotta	Australia	Thank you for the opportunity to comment on this project design. Australia endorses this project and appreciates the work of the ADB and CIF AU in preparing relatively succinct documents. We note CTF funding will support development of a transmission network to unlock the growing renewable energy (solar and wind) potential of the Rajasthan region, in line with India's focus on expanding renewable energy generation to meet growing energy demands. In addition to the transmission network's immediate need of evacuating electricity from the large-scale solar park, we look forward to seeing the benefits of this project in growing private sector investment in renewable energy in the region in future. We would appreciate consideration of what fossil fuel potential exists in the Rajasthan region, and at what scale of investment could be undesirably incentivised by this transmission infrastructure. Indeed, it would be a perverse outcome if CTF funding was invested in a transmission line that generated greater fossil fuel investment than renewable energy investment. We support the enhanced economic opportunities, particularly the community fund that will be established to direct funding towards improving the livelihoods of local communities. We understand this project is purposed for large-scale grid-connectivity of renewable energy, but we would appreciate consideration for what more could be done to increase reliable energy access for local communities along transmission routes. Changing the energy mix and displacing fossil fuels on the state and national grid is important, however, targeting interventions to benefit poor communities should also be considered.	Jul 12, 2013
Comment 2	Michelle Kaminski	Canada	While we support the project proceeding, we would nevertheless appreciate some further information regarding how the project will meet its important objectives. We note that the project proposal states that CTF co-financing will help mobilize future commercial investments for replication and scale up, which will stimulate economic growth and facilitate the long-term transition to low-carbon development. The draft Report and Recommendation of the ADB also states that CTF financing will improve the overall financial attractiveness and will help the transmission utility undertake the required investments until future regulatory adjustments allow higher tariffs and returns. However, the Independent Review Team noted that it is not clear how the assertions can be inferred given that investments in transmission infrastructure for renewables projects that provide intermittent power will remain a barrier to investment. Also, there is no assurance that policy or regulatory changes will be made in the near future that will allow transmission companies to obtain a tariff that provides an adequate return on capital invested. While the response to the Independent Review Team notes that existing policies will support the distribution companies until they bring down their losses, we expect it will remain difficult to replicate the projects without subsidies in the absence of policy or regulatory changes in the future that would allow transmission companies to obtain the required tariffs. We would therefore welcome further exploration of this important concern, including a discussion of the impacts (positive or negative) of existing and planned measures.	Jul 12, 2013
Comment 3	Kate Downen	United Kingdom	Thanks to you and ADB for the quick response to the questions that we raised. We are happy to approve this project and have the following comments. · We encourage the planned monitoring and evaluation of the expected cobenefits by RREC. · We are supportive of Rajasthan's plans for renewable energy expansion and hope that the State's renewable energy strategy will remove the risk that this CTF infrastructure project will facilitate the addition of fossil fuel generating capacity. · The plan attributes all of the GHG emission reductions from the 4300 MW of renewable energy that is being facilitated by this transmission infrastructure to the cost-effectiveness calculation. This means that future CTF projects connected to that grid (as part of these 4300 MW directly supported by the transmission network) are	Jul 19, 2013



potentially double counting emission savings and might not be able to claim these emission savings.