

If you and I don't do it, who will?



Founder's Story

Fourth Partner Energy (4PEL) is a renewable energy company in the business of building and developing on-site and off-site solar, wind and hybrid power projects primarily for the Commercial and Industrial (C&I) segment. The company also offers energy trading, battery storage and electric mobility infrastructure services.

Founded in 2010 as a solar products and EPC company, in just over a decade 4PEL has emerged as a leading renewable energy solutions provider, committed to accelerating decarbonization across the corporate sector, not just in India but across South and Southeast Asia. With an installed capacity of over 950 MW, the company offers energy-as-a-service to help businesses offset almost 100% of their energy requirement through clean & green sources.

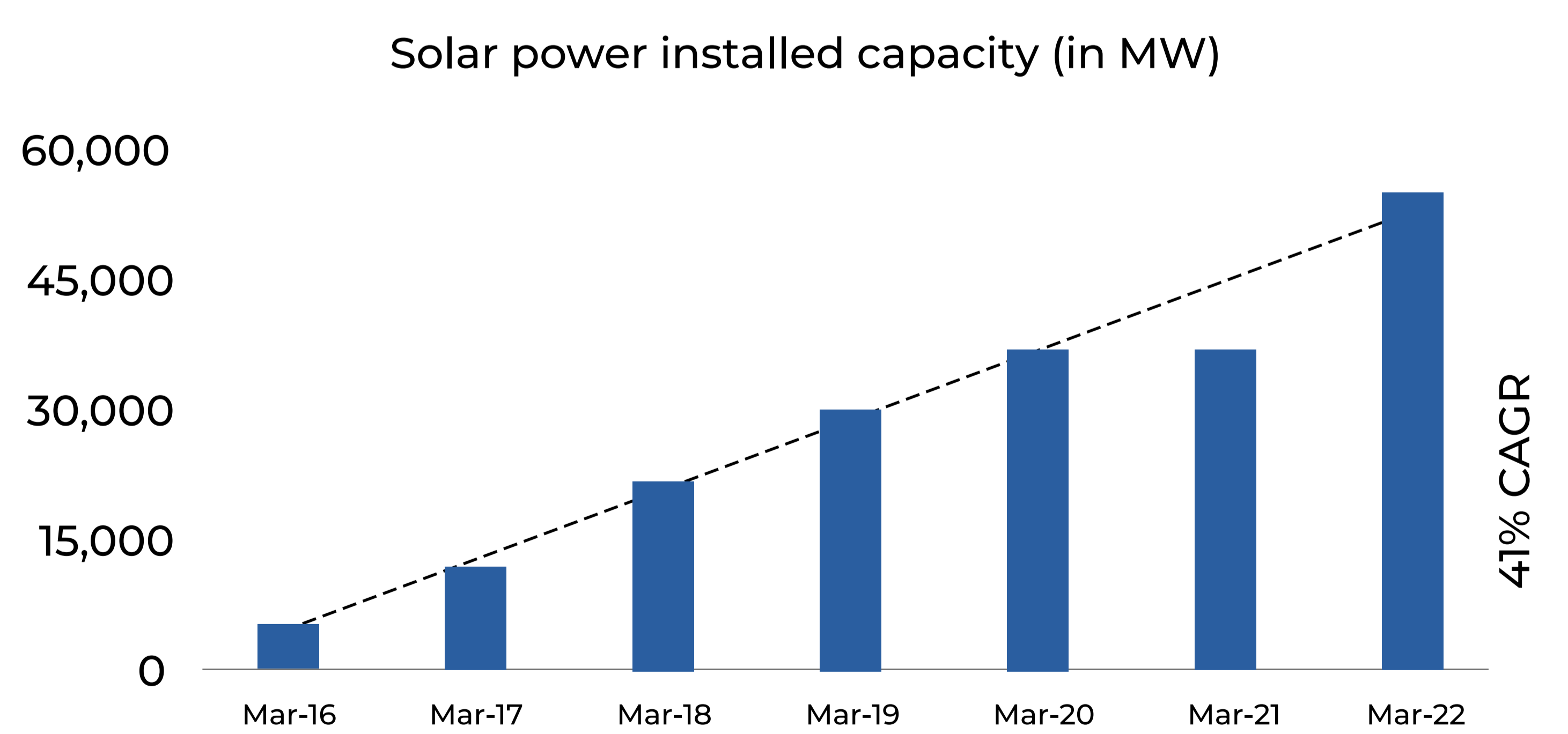
The favourable potential for C&I renewable energy is largely driven by mid and large corporates. Following the drastic reduction in solar module costs post 2016 and the voluntary adoption of renewable energy utilisation targets by several mid and large corporates, there has been an uptick in the demand for direct Power Purchase Agreements (PPAs) with private developers such as 4PEL. The company has 500+ plants

in on-site and off-site solar projects since inception with presence in South and Southeast Asia including India, Indonesia, Vietnam and Sri Lanka. The company is rated 'A-' by ICRA Limited.

Addressing the Gap

Climate change is having profound effect on people as well as the planet. To meet the objectives of the Paris Agreement, which was reaffirmed at COP26, the need to accelerate the pace of clean energy transition remains a key priority globally. With an intent to become part of the solution, India aims to achieve 50% of its power generation capacity from non-fossil fuels by 2030 and become net zero by 2070. To achieve the 2030 target, India needs to massively scale up its renewable energy capacity.

As of FY2021, renewable energy constitutes 25% (about 96 GW) of the total installed power capacity of 388 GW. Within renewable energy, India has seen a phenomenal growth in the solar power segment evidenced by a CAGR of 41% in the last seven years until FY2022. We expect to see the growth trend to continue driven by a combination of supporting policies and improving economics.

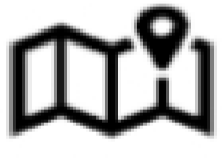







Source – Ministry of New and Renewable Energy (MNRE)

C&I customers make up more than ~50% of India's power demand followed by domestic (~25%) and agriculture sector (<20%). C&I segment has traditionally procured power only for the state utilities and has faced the burden of high tariffs as the domestic residential tariffs cannot be increased due to political considerations. The only avenue for these customers to avail cheaper power was to set up captive power plants based on availability of process steam or other fuels. Despite the uptick in the capacity set-up over the last few years, there remains a large untapped market – 40% of power consumed by India is with C&I customers whereas off-site solar is still less than 1%. The growth of C&I renewable power has been concentrated in certain states due to availability of high solar and wind resources, enabling policy regulations and higher presence of large corporate customers.

Business Model

The company's key focus is on providing power solutions to C&I customers. Over the years, 4PEL has been operating through various models to meet the renewable energy requirements of corporates. The company operates in two segments:

Onsite Solar		Offsite Solar and wind via open access
Plant located at clients's facility		Solar/Wind park located away from clients's facility
Savings of 30%-60% per unit electricity		Savings of 30%-60% per unit electricity
Ideal for facilities with specific requirements		Ideal for bulk consumers to meet cost savings/ RPO/energy transition goals
Space constraint can limit capacity of solar Asset		No restriction on capacity of electricity supplied from solar park
Asset can be owned either by client/FPEL		Asset can be owned wholly/partly by client under captive/group captive models
Zero capital investment under OPEX model		Zero capital investment under THIRD PARTY model

Source - 4PEL Sustainability Report FY2020-21

Impact Story



The company believes that there is *no tomorrow* when it comes to choosing cleaner energy and ensuring efficient consumption of natural resources. *The time is now.*

As more corporates are voluntarily pledging to RE100 i.e., entire procurement through renewable energy, 4PEL plays the role of an enabler through its clean energy solutions to commercial and industrial businesses. For the financial year 2021, the customers have been able to generate INR 3/kWh of savings. As a result, these businesses are able to reduce their carbon footprint while improving their bottom-line.

Impact Created	FY 2022	Cumulative
Renewable Power Generator (kWh)	22,67,50,963	45,18,69,876
Total Reduction in CO2 emission (Tonnes)	2,22,216	4,42,832
Tons of Coal Saved (Tonnes)	1,06,573	
Litres of water saved (Million Litres)	522	1,039
Savings delivered to Customers	On Average Rs 3/kWh savings delivered to Customers	
Number of plants installed(including Acquired plants)	263	570
Direct/Indirect Jobs created	Under construction: 5,160 people During Operation: 1,808 people	Under construction: 13,560 people During Operation: 1,808 people

Source - 4PEL

The company understands the adverse environmental and social implications of developing and implementing a solar PV project and hence has a robust inhouse socio-economic analysis framework for its projects. The company ensures that the land acquisition done for every off-site project is pursuant to a social impact study. This begins from verification of willing buyer and seller for the land aggregation outsourced to a third party. A detailed report is prepared on environment social management plan after

assessing biodiversity and potential social risks. Further, internal screening involves indigenous population, impact on water and forest as part of the scope decided for the ESI. The company's land acquisition policy meets the International Finance Corporation's requirements wherein there are efforts to ensure that farmers get adequate price for the land. Also, action plan for environmental and social assessment procedures are monitored by the in-house ESG team, which is dedicated for on-ground checks.

Vivriti's Engagement with Fourth Partner

Renewable energy as a sector is highly capital intensive. 4PEL has been able to expand its operations from capital provided by several commercial banks and DFIs over the years. Although conventional asset financing continues to be a major source of funding for the company, new financing paradigms need to be leveraged to meet its growth plans. Fourth Partner's capital-intensive nature of projects with 9-10 months of construction phase meant that the working capital hinged greatly on the immediate availability of construction capital.

Vivriti, through VC and VAM, catalysed commercial debt market for the company by providing the much-needed term financing for Fourth Partner's under construction and commissioned projects, as the company signs PPAs with potential offtakers. The capital was provided at a crucial time to ensure on ground execution is not hindered. This innovative financing line from VC and VAM enables the company to continue with on ground execution and ensuring project commitments are met with customers.

This flexible capital allows the company to manage its working capital and not let projects in pipeline suffer. The first such project financed by Vivriti at an early stage, has since achieved project completion and commencement of operations. At this stage, 4PEL is now able to refinance Vivriti from longer term and cheaper bank loan market.

In the words of Vivek Subramanian, Co-Founder & Executive Director | 4PEL

Vivriti is a wonderful addition to the green financing network at Fourth Partner Energy. Their innovative solutions and intent to collaborate for the long-term set them apart when compared to other clean energy and tech financiers. This is a special partnership as Vivriti's team understands the pulse of Fourth Partner Energy & our mission to become India's top integrated renewable energy solutions company.