India: Mytrah Wind and Solar Power Development Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Mytrah Wind and Solar Power Development Project</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>49241-001</td>
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<tr>
<td>Country</td>
<td>India</td>
</tr>
<tr>
<td>Location</td>
<td>Nation-wide</td>
</tr>
<tr>
<td>Approval Number</td>
<td>7479/3380, 7478/3379, 7476/3383, 7477/3384, 7474/3381, 7475/3382</td>
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<tr>
<td>Type of ADB Assistance / Amount</td>
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<tr>
<td>3379 Ordinary capital resources</td>
<td>USD 36.00 million Committed</td>
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<tr>
<td>3380 Ordinary capital resources</td>
<td>USD 49.00 million Committed</td>
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<tr>
<td>3381 Ordinary capital resources</td>
<td>USD 0.00 Cancelled</td>
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<td>3382 Ordinary capital resources</td>
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<td>3383 Ordinary capital resources</td>
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<td>3384 Ordinary capital resources</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Private sector development

Sector / Subsector
- Energy - Renewable energy generation - solar - Renewable energy generation - wind

Gender Equity and Mainstreaming
- No gender elements

Responsible ADB Department
- Private Sector Operations Department

Responsible ADB Division
- Infrastructure Finance Division 1

Responsible ADB Officer
- Patil, Avesh

Project Sponsor(s)
- Mytrah Energy (India) Limited

Description
ADB is proposing to provide a direct loan facility of up to $175 million to a portfolio of special purpose vehicles (SPVs) owned by Mytrah Energy (India) Ltd. (MEIL). ADB's facility will be structured such that a separate loan will be provided to each project SPV on a project finance (limited recourse) basis. The Transaction being financed comprises 476MW of wind projects in four SPVs in Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka and 100MW of solar projects in two SPVs in Telangana and Punjab. The six SPVs are:

I. Mytrah Vayu (Som) Power Project: 92.8 MW of wind power capacity has been commissioned
II. Mytrah Vayu (Tungabhadra) Power Project: 148.9 MW of wind power capacity has been commissioned
III. Mytrah Aadhya Power Project: 50 MW of wind power capacity has been commissioned

Objectives and Scope
The objective is diversification of India's energy mix through the addition of renewable energy capacity, helping the country progress toward its clean energy targets. The project also contributes to mobilize the private sector financing in climate change mitigation and to prioritize private sector operations in clean and renewable energy. ADB has been providing support for clean energy development to meet growing energy demands in a sustainable manner. The project will also contribute to the bank's operational goal of scaling up private sector development and private sector operations in renewable sector.

Status of Development Objectives
The Project has started contributing to its development objectives.
1) Mytrah Vayu (Som) Power Project: 92.8 MW of wind power capacity has been commissioned
2) Mytrah Vayu (Tungabhadra) Power Project: 148.9 MW of wind power capacity has been commissioned
3) Mytrah Aadhya Power Project: 50 MW of wind power capacity has been commissioned

Status of Operation/Construction
Execution of facility agreements is complete for 3 SPVs, namely: (i) Mytrah Vayu (Som) Pvt. Ltd.; (ii) Mytrah Aadhya Pvt. Ltd.; and (iii) Mytrah Vayu (Tungabhadra) Pvt. Ltd. The 3 SPVs have fully disbursted and are in their operating stage. Delay in COD of partial capacity (27.2 MW) out of 120 MW for Mytrah Vayu (Som) is caused by the delay in the PPA signing by the relevant state agency/authority (Rajasthan discom). The development of Mytrah Aadhya and Mytrah Vayu (Tungabhadra) - Phase 1 for 148.9 MW are complete. Remaining facility has been cancelled.

Linkage to Country/Regional Strategy
The project is aligned with ADB's India country partnership strategy, 2013-2017, which calls for investments in renewable energy development. The project is also fully aligned with ADB's Energy Policy. The policy states that support for renewable energy projects will be prioritized and broadened. In 2013, ADB increased its target of clean energy investments to $2 billion a year from the previous target of $1 billion a year. As part of its enhanced commitment to finance renewable energy projects, ADB will increase its assistance to renewable energy projects to $6 billion a year by 2020.

Safeguard Categories
Environment: B
Involuntary Resettlement

The loan will fund the expansion of the borrower’s wind and solar energy project portfolio in three Indian states. The borrower has no recourse to government expropriation for its land needs. Involuntary physical displacement is therefore not possible and all permanent land acquisition is by voluntary sale on a willing-seller willing-buyer basis. Involuntary economic displacement is possible on subprojects where the borrower has long-term leases on government land that is intermittently used by neighboring villagers as seasonal conditions allow. Restrictions on land use due to wind turbine construction and operation are however typically very limited and impacts are managed through the borrower’s ESMS. An audit of the ESMS has been conducted and corrective action will be implemented before first disbursement. The revised ESMS will include a Land Acquisition and Resettlement Framework and ensure that any economic displacement will be managed accordance with local law and ADB SPS.

Indigenous Peoples

The borrower’s land acquisition procedure includes measures to avoid siting subprojects on land customarily owned or used by Scheduled Tribes (ST). Due diligence for two initial wind subprojects found no distinct and vulnerable ST communities or groups in each subproject impact area. Initial analysis of identified future subprojects shows impacts on ST groups are not expected though this cannot be ruled out in some states. The borrower’s ESMS, to be revised before disbursement, will include measures to minimize and manage any potential unanticipated and unavoidable impacts on ST groups. For each subproject, the borrower will conduct an impact assessment and management plans will be implemented by capable personnel.

Stakeholder Communication, Participation, and Consultation

The borrower will manage participation through its enhanced ESMS for subproject related impacts and through its CSR Policy and plans for participatory interventions in the broader subproject impact areas that are part of legislative requirements. The ESMS will include requirements for participatory community engagement in subproject impact areas as well as broader stakeholder engagement requirements regarding information disclosure. CSR activity in subproject impact areas is primarily based on participatory rural appraisal techniques that allow communities to define their needs and develop sustainable solutions that can be supported by the borrower. Both approaches are implemented by independent consultants to the borrower who is responsible for monitoring and reporting on implementation progress to both internal and external stakeholders.