

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDIA
AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
ON COOPERATION TO
ESTABLISH THE PACESETTER FUND

A fund to support the Promoting Energy Access Through Clean Energy (PEACE) track of the U.S.-India Partnership to Advance Clean Energy (PACE)

The Government of the Republic of India and the Government of the United States of America (hereinafter known as the “Participants”),

Recalling that the Participants launched the U.S.-India Partnership to Advance Clean Energy (PACE), a clean energy research and deployment initiative in November 2009;

Further recalling that, in September 2013, the Participants launched “Promoting Energy Access through Clean Energy” (PEACE), a new track of PACE with the objectives of harnessing commercial enterprise to bring clean energy access to unserved and underserved communities in India;

Acknowledging that energy access is crucial for improving the quality of life for India’s citizens and their economic conditions and that 24/7 energy availability remains an important economic development priority for the Indian government;

Recognizing the tremendous potential of off-grid, clean energy technologies, combined with innovative financing models, market-based solutions, and policy alignment to become a transformative agent of economic opportunity and rural development.

Desiring to cooperate with a view to establish and administer the PACEsetter Fund (hereinafter the “Fund”), to assist commercial businesses, non-governmental organizations, and other grantees as deemed appropriate, to access and develop the off-grid market for renewable energy.

Have reached the following understanding:

MISSION

The mission of the PACEsetter Fund is to accelerate the commercialization of innovative off-grid clean energy solutions by providing the early-stage grant funding that would allow businesses to develop and test innovative products, systems, and business models. The Fund's main purpose is to improve the viability of off grid renewable energy businesses that sell small scale (under 1 megawatt) clean energy systems to individuals and communities without access to grid connected power or with limited or intermittent access of less than 8 hours per day.

OBJECTIVES

The Fund should award grants for direct support of innovative technology, business models, and programs including but not limited to: rural energy services companies (full scale integrated operators); rural distribution companies/franchisees; operations/maintenance companies; technology implementers/ system integrators; and enterprises.

The Fund should also consider awarding grants for product development, studies, research, capacity building and technical assistance, as long as this support will provide clearly significant support to the companies and non-governmental organizations that sell small scale (under 1 MW) clean energy systems to individuals and communities with no or limited access to grid connected power.

The Fund should be in conformity with the objectives of the U.S.-India Partnership to Advance Clean Energy (PACE), including promoting bilateral Indo-U.S. cooperation through technical and commercial innovation and the advancement of clean energy, and cooperate with PACE and other PEACE programs where possible.

STRUCTURE AND ADMINISTRATION

Each Participant intends to make available 250 million Indian Rupees for grants and the administration of the grants program utilizing the Fund.

The Participants intend to make decisions on grant making criteria, and grant funding decisions, by a Steering Committee comprising the Secretary of the Ministry of New and Renewable Energy and the United States Ambassador to India, and three representatives from each side.

The Participants further intend that an Executive Committee, comprising governmental and non-governmental experts from both countries, provide advice to the Steering Committee on the efficacious use of grant funds.

The Participants intend to enter into cooperative agreements with a non-governmental or government entity in India to serve as the Administrator of the grants program

