

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

utilizing the Fund. The cooperative agreements are to specify the parameters according to which the Administrator conducts outreach, administers calls for grant proposals from the Fund, conducts preliminary reviews of grant applications, and interfaces with grant applicants and grantees. The Administrator's fees and expenses related to administering the grants program, which the Participants intend to split evenly, are to be addressed in the cooperative agreements.

The Participants intend that the Administrator, upon conducting a call for grant proposals and receiving and scoring grant applications according to the criteria set forth in the cooperative agreements, will transmit the grant applications to the U.S. Embassy in Delhi, the Ministry of New and Renewable Energy and take before the Steering Committee for decision.

The Participants intend that decisions on which grants to fund, and funding amounts, be taken by consensus by the Steering Committee, with advice from the Executive Committee. Upon a decision by the Steering Committee to fund a grant proposal utilizing the Fund, each Participant is to contribute 50% of the grant amount to the Administrator, for payment to the grant recipient.

The language for PACEsetter Fund consultations is to be English. All grant proposals and mandated reports are also to be in English.

COMMENCEMENT AND DURATION

This Memorandum is to become effective upon signature and remain in effect until the totality of the funds made available by either Participant for grant making in connection with this MOU have been disbursed to the Administrator. This Memorandum may be extended or otherwise modified in writing by mutual consent of the Participants.

In witness whereof the following representatives being duly authorized thereto by respective participants have signed this Memorandum of Understanding.

Done at 30th on Tuesday of June, 2015 in English language.

For the Government of the Republic of
India


Upendra Tripathy
Secretary
Ministry of New and Renewable Energy

For the Government of the United
States


Richard R. Verma
United States Ambassador to the
Republic of India