

Green Growth Equity Fund- India and UK

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UK-based energy major The British Petroleum Company plc (BP) has said it will invest \$70 million into the Green Growth Equity Fund (GGEF) in India. The fund, established in 2018, is focused on identifying, investing and supporting growth in zero-carbon and low-carbon energy solutions in the country.

Green Growth Equity Fund

With a commitment of \$70 million, BP will, upon investment later this year, become a limited partner in GGEF and have representation on its advisory committee, as well as the rights to co-invest in projects alongside GGEF. GGEF already includes investments from the Government of India, through the National Investment and Infrastructure Fund (NIIF), and the UK Government, through the Department for International Development (DfID).

It expects to reach about \$700 million commitment at final close and grow further through leveraged capital options. **GGEF is an outcome of the partnership of NIIF with the UK government. It is an alternative investment fund registered with the Securities and Exchange Board of India (Sebi). NIIF and the UK government committed £120 million each for the fund** which will be managed by EverSource Capital, a joint venture of home-grown private equity firm Everstone Group and Lightsource BP.

Everstone is a multi-asset investment firm with assets under management of about \$4 billion while Lightsource is a global market leader in renewable energy development and management with \$3 billion of capital invested across over 2 gigawatts of solar projects globally. **GGEF aims to raise £500 million from international institutional investors to invest in areas such**

as renewable energy, clean transportation, water, sanitation, waste management, emerging technologies and other similar industries in India.

By using a pooled investment vehicle and a public plus private partnership approach, global investors will get the opportunity to be part of this exceptional investment platform. The government had set up the **Rs 40,000 crore NIIF in 2015 as an investment vehicle for funding commercially viable greenfield, brownfield and stalled projects.**

GGEF will provide investors with a vehicle to invest at scale into one of the largest and most attractive clean energy markets in the world. Everstone's capabilities of building successful operating companies in India and Lightsource's global renewable energy experience will provide a strong platform for EverSource Capital to successfully execute GGEF's investment strategy. Broadly **a third of the fund would go into the regulated space, which is grid-connected renewable assets such as wind, solar, mini hydel and biomass; a third would go into off-grid strategies and a third into other clean-tech strategies around water, electric mobility** etc.

These sectors are now operating on a competitive basis where the economic model of all these businesses can be self-sustaining without any requirement for subsidies. And therefore it competes very well with traditional sources of energy and is a big opportunity.