

## **Session 12 Discussion Questions Financing Energy Infrastructure**

UNEP. 2004. Financial Risk Management Instruments for Renewable Energy Projects.

- How is financing renewable energy projects different from financing energy projects?
- What are the barriers and risks specific to investing in renewable energy projects?

Bloomberg New Energy Finance 2010. Crossing the Valley of Death. Solutions to the next generation clean energy project financing gap.

- What is the so-called Valley of Death to which the report refers?
- What is the role of the public sector in supporting the development and financing of clean energy technologies?
- “The challenge (supporting low-carbon technology innovation, deployment, and diffusion) is certainly global, but countries in the developed world must take the lead. Only developed nations have the requisite financial systems and government structures to address the problem on a broad scale. The exception may well be China, which, though considered part of the developing world, clearly has exceptional financial resources to support clean energy technology development. The country is already providing major support to established sectors in the form of feed-in-tariffs and other subsidies.” (page 4) To what extent do you agree/disagree with this statement?

Jamison, E. 2010. From Innovation to Infrastructure: Financing First Commercial Clean Energy Projects.

- Why are market mechanisms not efficient or sufficient for financing clean energy projects?
- What is the difference between venture capital and traditional project financing, and why does the article say that many clean energy projects fall between the two?
- What are some of the risks to financing clean energy projects? How important is the government in overcoming some of these risks?

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