

Renewable Energy Business Fund (REBF) Scheme under BioGen Project

The setting up of this initial financial assistance programme for RE project is especially to support the financial requirement of Full Scale Model Biomass Power Project (FSM) that will be established under the BioGen implementation programme. This REBF is expected to act as a successful model in financing Renewable Energy Project in Malaysia in order to give better perspective to other developers and financial institutions towards developing and financing the same mechanism of RE project in the country.

The total size of the fund is RM 28.0 million which is equally contributed by Pusat Tenaga Malaysia (PTM) and Bank Pembangunan Malaysia Berhad (BPMB) (formerly Bank Industri & Teknologi Malaysia Berhad). The fund from PTM portion is a contribution from Global Environment Facility (GEF) of RM 9.2 million and Malaysian Electricity Supply Industry Trust Account (MESITA) of RM 5.0 million

BPMB which has been appointed as a fund manager will set up a special account and solely monitor all transaction involving the fund such as disbursement and repayment. The financing of the FSM under BioGen project is on sharing basis between PTM and BPMB, whilst each entity contributes 40% of total financing, while the remaining 20% will be contributed by the project promoter contribution. The fund will give up to 80% margin of financing of the project cost.

In term of site selection, PTM as the owner of the project engineers will evaluate and endorse the technical aspect of the FSM project before qualified project being finance by REBF, whereas an evaluation on project commercial viability will be undertaken by BPMB. BPMB has an absolute discretion to decline any project application that is not commercially viable.

a.	Eligibility Criteria	Companies incorporated in Malaysian and must at least 51% Malaysian controlled.
b.	Purpose of Financing	To part finance the setting up of the biomass/biogas power generation and cogeneration plant in the Malaysian palm oil industries.
c.	Eligible Sector	Activities promoted under the BPMB's Alternative Energy Source and Power Engineering sector.
d.	Type of Financing	Project financing.
e.	Margin of Financing	Up to a maximum of 80% of the project cost and subject to availability of the Fund
f.	Interest Rate	4.0% p.a subject to availability of the Fund.
g.	Tenor	A maximum of 10 years inclusive of grace period
h.	Grace Period	A maximum of 2 years (subject to cash flow)

i.	Security	<p>Not limited to:</p> <ul style="list-style-type: none"><li data-bbox="511 262 1421 325">i) First Legal Charge on the project assets including land and building and machinery and equipment.<li data-bbox="511 367 1421 630">ii) Assignment in favor of the BITMB in respect of all rights, titles, interest and benefit of the Borrower over the Project pursuant to all present and future contracts/agreements in relation to the construction of the Project including but not limited to the Renewable Energy Power Purchase Agreement (REPPA), Operation and Maintenance (O&M), Engineering, Procurement and Construction (EPC) Contract, and Fuel Supply Agreement.<li data-bbox="511 661 1421 703">iii) An Unconditional and Irrevocable Corporate Guarantee, if any<li data-bbox="511 735 1421 829">iv) Assignment of All Rights Insurance Policies over the Borrower's assets on insurable value both during and after completion of the project construction. <p>[Any other terms and conditions and security deem fit and necessary by BPMB]</p>
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