

USAID Supports Rural Electrification Social Enterprise in India

Underdevelopment and lack of access to basic needs such as electricity remain a fact of daily life in India's rural areas. A large gap exists between urban and rural areas, where the lack of resources, political will, poor planning and electricity theft are some of the major causes that have left many villages in India still without electricity.¹ Among India's population of 1.2 billion, over 300 million continue to live without electricity,² and the failure of the grid to meet the energy expectations of the rural populace remains a challenge in many areas. At the same time, rapidly declining costs in solar power over the past five years has made it an increasingly attractive solution to address rural electrification, creating new opportunities for enterprises to address this long-standing issue in a sustainable manner.³



ONergy has provided power to over 200,000 people in rural parts of India through its innovative off-grid solar products.

Photo credit: <http://www.onergy.in>

ONergy (Punam Energy Pvt. Ltd.) was established to provide decentralized energy solutions to underserved households and institutions. Since its founding in 2009, ONergy has grown to be one of the leading social enterprises in India, with its solar products impacting over 200,000 lives across the country. ONergy's strength lies in developing high quality products, strong after sales service network, facilitating consumer financing for solar systems, and developing an ecosystem for sustainable development and rural empowerment.

To date, ONergy's portfolio of solar products has included everything from solar home to solar irrigation systems. The company has grown quickly since inception, with revenue growth of up to 200% each year since. In order to support its rapid expansion to the remotest regions of India, the company has established a network of 10 Renewable Energy Centers (RECs) in East India. RECs operate through a network of trained rural entrepreneurs, leveraging existing relationships with local NGOs, SHGs and MFIs to provide additional support and resources to the community. This partnership approach to RECs enables ONergy to effectively access and serve some of the most difficult to reach regions in the entire country.

ONergy was admitted to the PFAN-Asia program through the AFCEF-4 Business Plan Competition, which provided business planning and related investment-preparation services. The company was selected as a finalist in the competition and invited to present to investors at the AFCEF-4 Investment Forum. After the conclusion of the AFCEF-4 event, ONergy continued to receive further support from PFAN-Asia in refining its financial model and finalizing a shareholder agreement, eventually raising \$166,667 in working capital from a commercial bank in 2014.

¹ Rural electrification. Wikipedia. http://en.wikipedia.org/wiki/Rural_electrification .

² Uwe Remme et al. (February 2011). "[Technology development prospects for the Indian power sector](#)". International Energy Agency France; OECD.

³ [Off-Grid Solar Power for Rural India: What Say the Customers?](#) The Energy Collective. January 15, 2015.