

# Philanthropy + Private + Financial institution: sustainable innovations for low carbon transformation

- rural rooftop solar projects

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- Tencent established the **Sustainable Innovations for Social Value (SSV)** organization in 2021 and announced an initial investment of **7 billion USD** to explore areas including **carbon neutrality**, **rural revitalization**, FEW (Food/Energy/Water), and basic science.
- **Tencent Carbon Neutrality Lab (Net-Zero Team)** was set up, hoping to explore high-quality and sustainable realization paths through technological innovation, product innovation and **model innovation**.
- Tencent announced the plan to become **carbon neutral by 2030** across its operation and supply chain.

## Hanyin – key region of rural revitalization in ShaanXi Province



### Less developed in economy

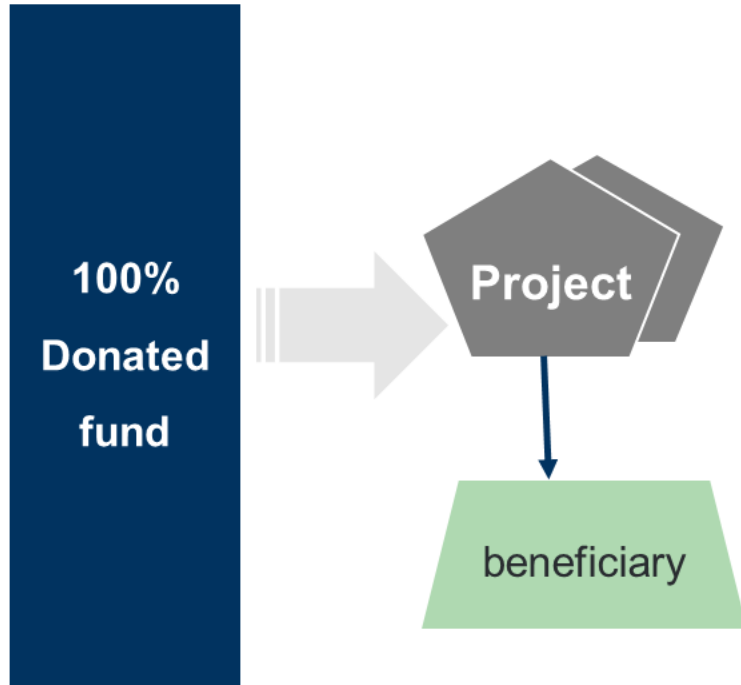
- Inner part of China
- Average yearly income: 2000 USD/ year
- Agricultural products as major income source

### Less developed in renewable penetration

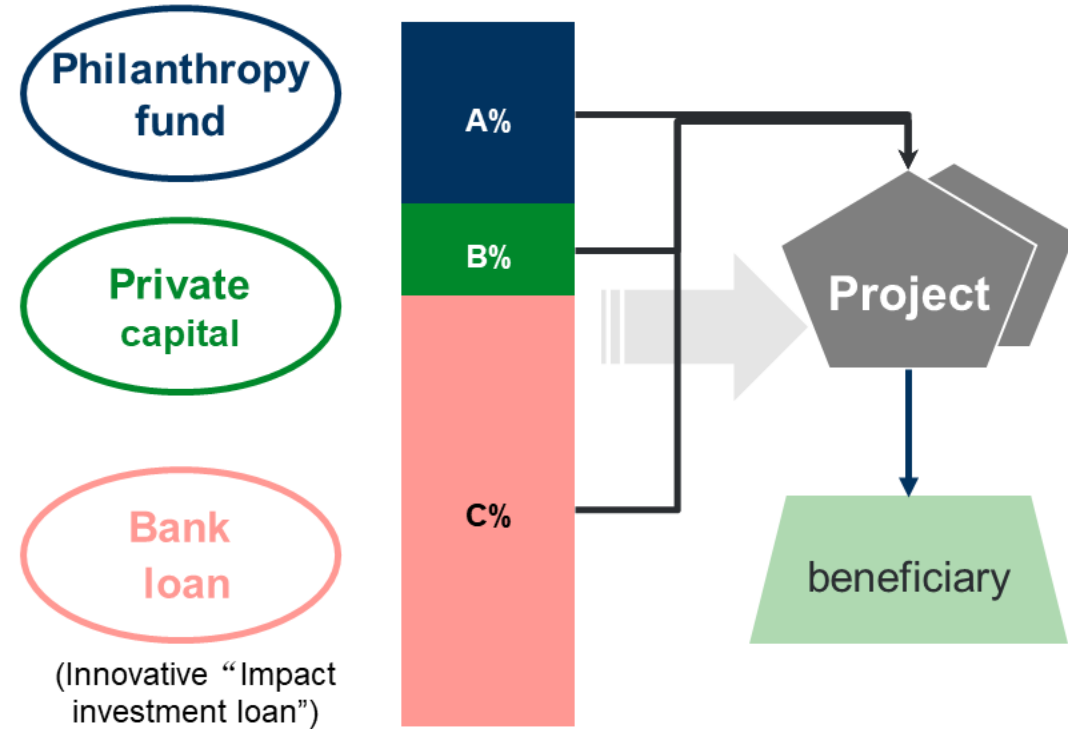
- **Low** peak-sun-hour region – PV project return does not meet commercial lines
- Mostly residential buildings

# How can RE transformation be sustainable and benefit the most vulnerable group? Philanthropy + Private + Financial institution

## Conventional model for donated funds: Solely-funded philanthropy projects



## Innovation: Philanthropy + Private + Financial institution

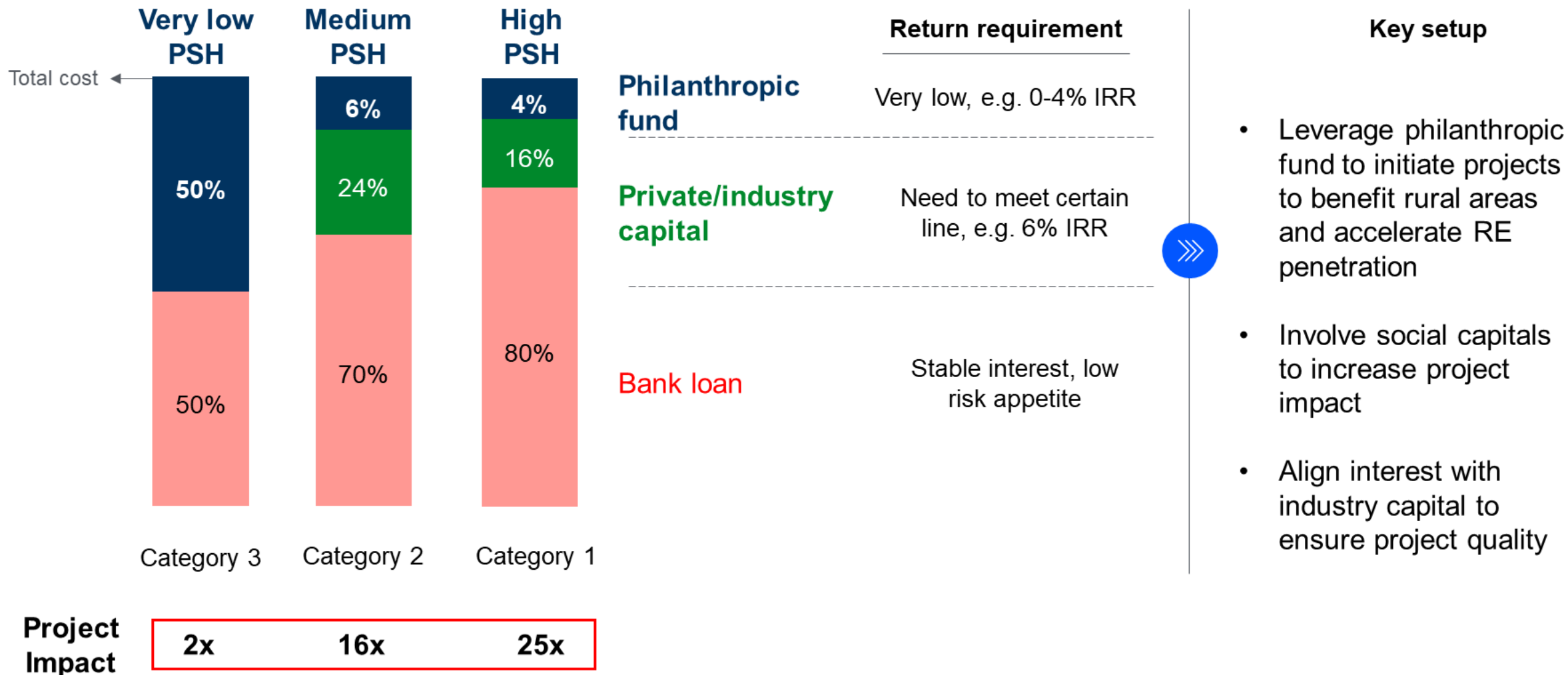


### Sustainable projects:

- Donor collaboration: project initiation and positioning, e.g. beneficiary and region selection
- Financial institution collaboration: transparent, safe, and compliant financial structure, and increased impact
- Industry partner collaboration: leverage expertise in RE project development

# Sustainable projects require reasonable return in low peak sun hours (PSH) regions – different financial structures in different regions

Lower PSH means lower PV project return -> we further divide low PSH regions into 3 categories, and devised different financial structures to achieve reasonable return for everyone

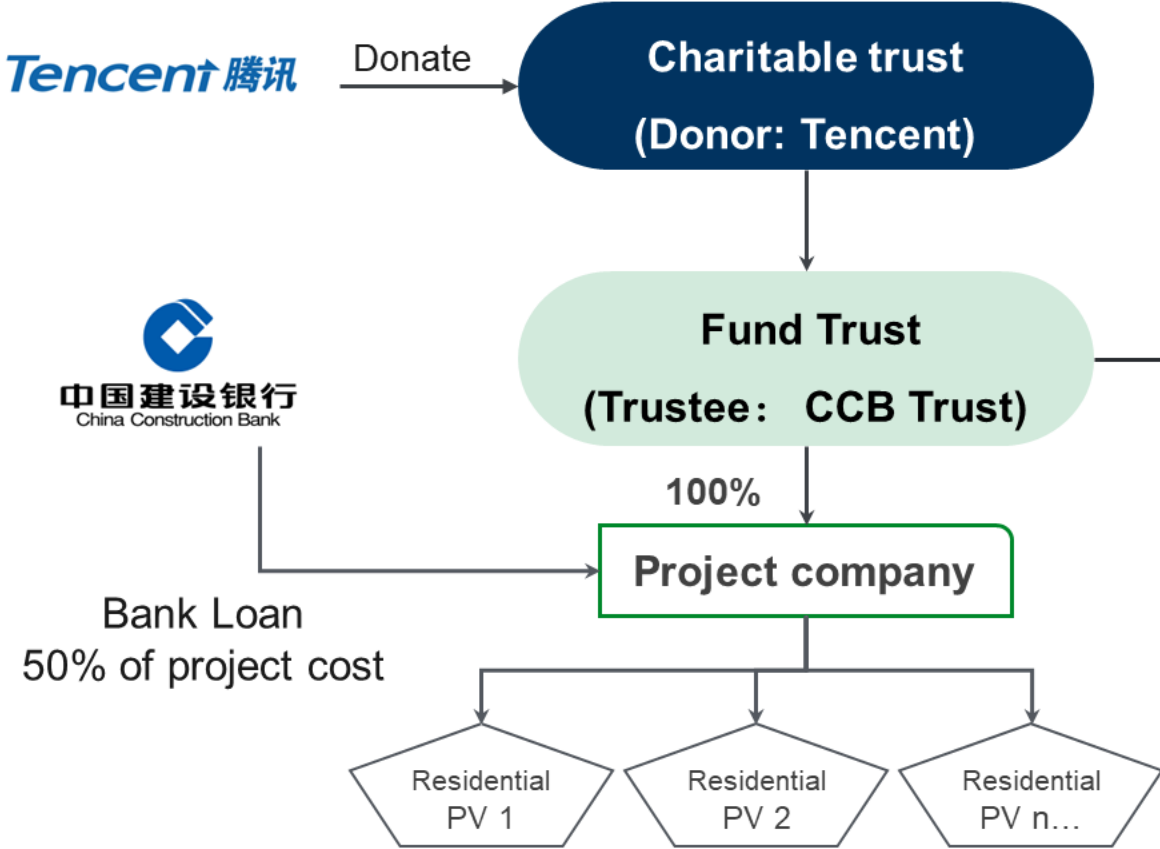


# Philanthropy + Private + Financial inst. : Tencent SSV case in Hanyin County, Shaanxi



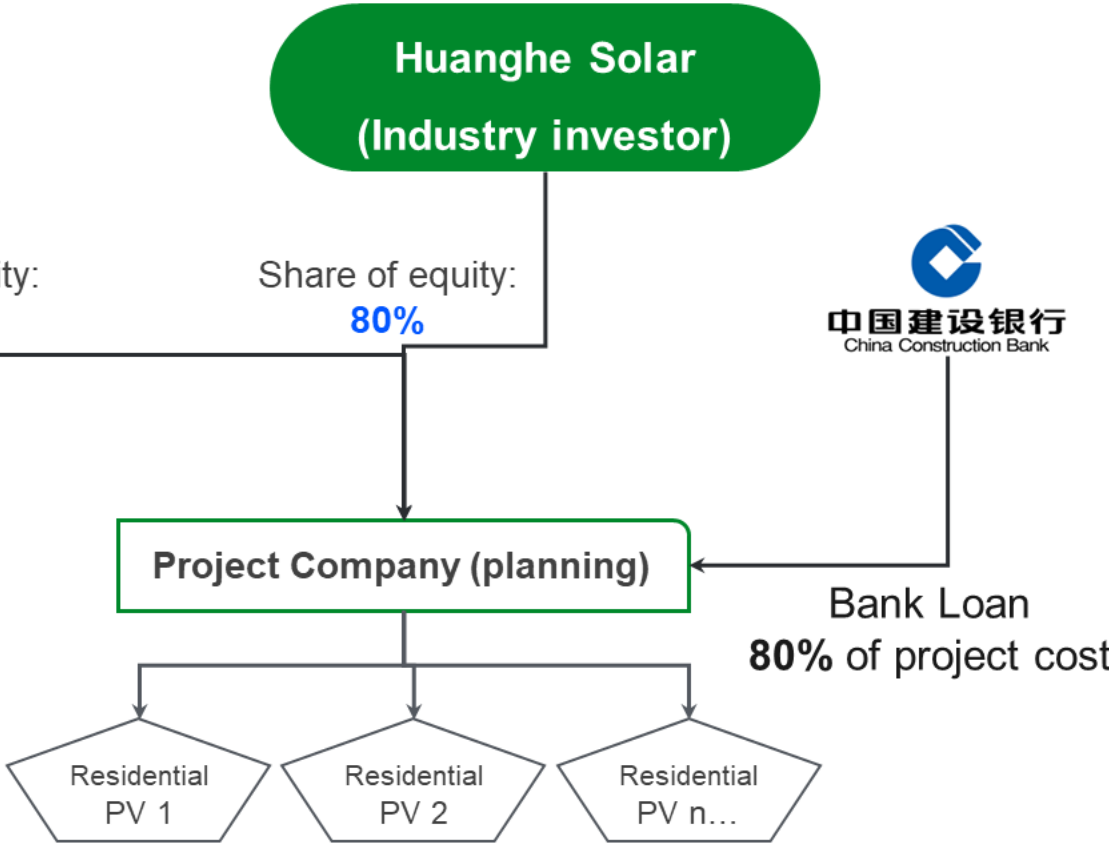
## Pilot 1.0: Implemented in Hanyin (cat. 3)

- 32 residential PV installation, ~ 400 kW PV project



## Pilot 2.0 (ongoing): selected regions in Shaanxi Province (cat 1.)

- 3000 – 4000 installations, ~40 MW PV project



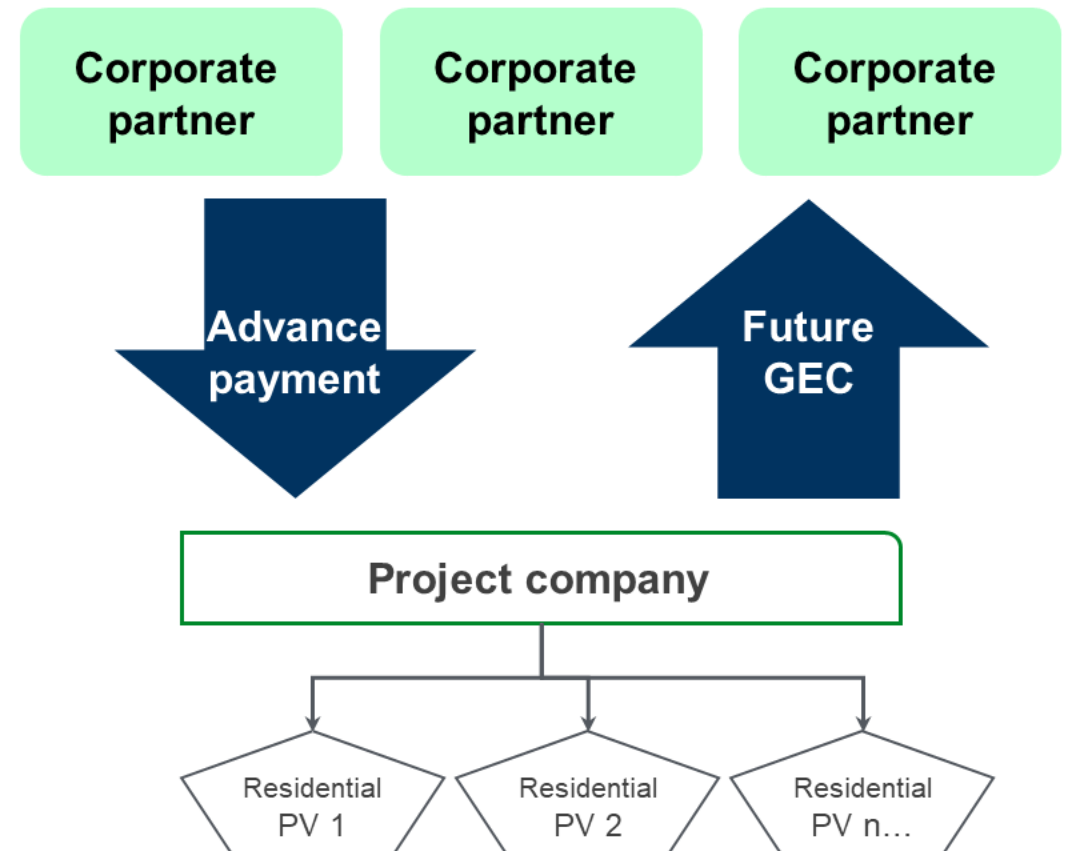
# Innovation underway: advance payment of Green Electricity Certificate of distributed solar projects to benefit more regions




## Green Electricity Certificate(GEC) can be an extra source of income

- ~10% of electricity revenue
- Only available for large PV or Wind power stations
- Distributed PV may be certified in near future
- Corporates need GEC to fulfill their carbon neutrality commitment



## Encourage corporates to pay GEC ahead to increase project return – more regions benefited



-  **Low carbon transformations on a large scale require innovative models to be sustainable**
-  **Apply market-oriented ideas, methods and tools to innovate models, and make positive impact on the vulnerable group**
-  **Partners from philanthropy, industry and financial institutions each bring expertise to innovate together - social value and commercial value can integrate and coexist**



We welcome more partners to join forces to achieve larger project scale and impact, to accelerate the low carbon transformation

**Charitable fund:**



- Charitable fund donor and project owner

**Financial institution:**



- Providing bank loan
- Innovations in risk management

**Industry Partner:**



- EPC in pilot 1.0, shareholder in pilot 2.0

**Local government:**

**Temporary deputy county mayor, from CCB**

- Providing local assistance, esp. communication with residents and T&D operator

**Local residents:**

- Extra income from leasing rooftops and daily maintenance

**We welcome more diverse partners**

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**Philanthropic funding:** join the charitable fund

**Private:** corporate funding to join the fund trust or project company, and to provide expertise in RE projects

**Public funding:** policy advocacy and project scale up

**Local government:** project scale up and local assistance

# Know more about us

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Tencent SSV website: [ssv.tencent.com](http://ssv.tencent.com) (Chinese)

Tencent SSV – Carbon Neutrality: [carbon.tencent.com](http://carbon.tencent.com) (Chinese)

Liuchuan Tong: [Lctong@tencent.com](mailto:Lctong@tencent.com)



Tencent Carbon Neutrality Roadmap (English)



Tencent SSV Report (Chinese)