

May 17, 2010

**Comments from Japan
Approval of IFC's Thailand Renewable Energy Accelerator Program**

Dear colleagues

Many thanks for sharing the project information of Thailand Renewable Energy Accelerator Program.

We would like to provide our comments as below, and would like to request a clarification before our decision.

We noted your explanation on the “mitigation of market distortions”, which mentioned that it is unlikely to proceed renewable projects without the concessional financing. As to this point, we like you to provide additional information;

1. Updates of Thai renewable project finance market. Please provide us with the recent market situations of the Thai renewable (wind and solar) project financings. We understand that feed-in tariffs are designed to make projects financially viable, and some regional and international banks are keen to arrange commercial renewable projects with a support of this feed-in tariff mechanism. We also noted that ADB has recently approved solar power projects in Thailand. In order to avoid market distortions, we would like to better understand the current market situations and project deals recently arranged and being arranged by commercial banks.

2. Scope of the proposed projects under the Program. Based on the updates of the Thai renewable (solar and wind) project finance markets mentioned in para 1 above, we would like you to elaborate more detailed scope of the renewable projects under this Program, which would require CTF concessional financings but would not distort the market conditions.

Thanks and regards,

Keisuke Sasaki