

Capital Will Follow Credibility: How to Structure Bankable Renewable and Storage Deals in a Harder Funding Market

By Sudarshan Karweer · 26 August 2026 · growthifye.com

In the next phase of the energy transition, cheap capital will not reward ambition alone; it will reward disciplined deal design, credible counterparties, and operational resilience.

The New Reality: Capital Is No Longer Passive

For much of the last decade, renewable energy developers benefited from a broad global tailwind: abundant liquidity, falling technology costs, and a strong policy narrative around decarbonisation. In that environment, many projects were funded because the asset class itself looked attractive. Today, that phase is over.

In my 23 years across consulting, business building, and energy-sector execution, I have rarely seen capital become this selective this quickly. Money has not disappeared from the energy transition. In fact, global pools of infrastructure, climate, and strategic capital are still enormous. What has changed is the question investors and lenders are asking. It is no longer, “Is this a renewable project?” It is, “Is this a durable, cash-flow-visible, risk-allocated, execution-ready investment?”

That shift matters deeply for India.

Globally, we are moving from a market that rewarded speed of announcement to one that rewards quality of structure. Higher interest rates, supply-chain volatility, curtailment concerns, merchant-price uncertainty, and geopolitical realignment have all made capital providers more cautious. At the same time, India is entering a scale-up moment in solar, wind, storage, hybrid, C&I decarbonisation, and grid-linked flexibility. The opportunity is exceptional, but so is the scrutiny.

What we see across our mandates at Growthifye is clear: the next winners will not necessarily be the developers with the biggest pipeline. They will be the ones who understand how to make projects bankable before they try to make them large.

Bankability Is Built Long Before Financial Close

A common misconception in the market is that financing is a final-stage activity. In practice, financing outcomes are determined much earlier, often at land aggregation, interconnection planning, offtake design, technology selection, and contract structuring.

When a lender or investor reviews a renewable energy or storage project, they are not only underwriting megawatts. They are underwriting the discipline of decisions made months before the data room was opened.

The strongest deals usually get four things right from the start:

- Revenue clarity: contracted cash flows, credible counterparties, and realistic assumptions on merchant upside
- Risk allocation: EPC, O&M, evacuation, and performance obligations assigned to parties that can actually manage them

- Permitting certainty: land, statutory approvals, transmission access, and local stakeholder management addressed early
- Execution realism: construction timelines, technology lead times, and cost assumptions aligned with present market conditions, not old benchmarks

This is particularly important for storage and hybrid projects. A standalone solar asset with a long-tenor offtake can still be relatively straightforward to underwrite. But storage-backed dispatchable power, peak-shaving structures, round-the-clock supply, and ancillary-services-linked models require a more sophisticated cash-flow architecture.

In India, many developers still present storage as a technology add-on rather than as a revenue-engineered asset. That is a mistake. Storage bankability does not come from the battery itself. It comes from the clarity of how the battery will be used, paid, controlled, and maintained over time.

The World Order Is Changing, and India Must Read the Signal Correctly

The global energy transition is no longer just about climate ambition. It is now equally about industrial policy, energy security, and strategic supply chains.

The US has used incentives to pull manufacturing and project capital inward. Europe is trying to defend competitiveness while decarbonising. The Middle East is deploying large pools of strategic capital into future-energy platforms. East Asia continues to shape technology supply chains. Multilateral institutions are pushing blended finance and transition capital into emerging markets, but with tighter conditions around governance and impact.

For India, this creates both a challenge and an opening.

The challenge is that global capital now has choices, and those choices are influenced by policy stability, currency risk, legal enforceability, and project readiness. India cannot assume that its energy demand story alone will automatically win capital.

The opening is that India remains one of the few markets where scale, growth, industrial demand, and policy intent can align meaningfully. We have rising power demand, a strong renewables build-out agenda, expanding domestic manufacturing ambitions, and increasing corporate appetite for clean power procurement. If we structure projects well, India can absorb very large volumes of long-term capital.

But this will require a mindset shift. We should not only ask how to attract capital into India. We should ask how to make Indian projects legible to global capital.

That means:

- Standardising documentation where possible
- Improving predictability in payment security and contractual enforcement
- Building stronger operating datasets for newer technologies and use cases
- Creating financing structures that acknowledge FX, tenor, and refinancing realities

In other words, the world is not short of capital. It is short of trustable transactions.

What Makes Renewable and Storage Deals Bankable Today

In the current market, bankability rests on disciplined structuring rather than financial engineering alone. Across utility-scale, C&I, hybrid, and storage-led mandates, I believe six elements matter most.

- Counterparty quality

Lenders still spend disproportionate time assessing who pays, when they pay, and how enforceable the contract is. A slightly lower tariff with a stronger offtaker can often unlock better financing than a more aggressive tariff with weaker payment behaviour.

- Revenue stack integrity

If a project depends on multiple revenue streams, each stream must be independently understandable. Capacity payments, energy arbitrage, ancillary services, peak management, or renewable attributes cannot be bundled into a vague upside story.

- Technology and performance warranties

In storage especially, degradation curves, augmentation assumptions, throughput guarantees, and EMS integration are central to underwriting. This is not a place for generic vendor language.

- Grid and evacuation certainty

We continue to see otherwise attractive projects weakened by unresolved interconnection assumptions. Grid availability is not a footnote. It is part of the core credit story.

- Sponsor strength and governance

Equity commitment, decision-making speed, reporting discipline, and transparency matter more in volatile markets. Capital prefers sponsors who solve problems early, not explain them later.

- Sensible leverage

This may be the least fashionable point, but it is one of the most important. Projects do not become superior because they carry maximum debt. They become resilient because the capital structure leaves room for reality.

A contrarian view I hold strongly is this: in the next three to five years, the most successful developers may be those who accept slightly lower headline returns in exchange for cleaner structures, faster closures, and higher portfolio resilience. Chasing valuation without bankability will create more pipelines than power plants.

India's Next Financing Frontier Is Not Just More Solar. It Is Flexible Power

India has done well in scaling renewable capacity, especially solar. But the next financing frontier is flexibility: storage, hybridisation, firm and dispatchable renewable supply, repowering, and digital optimisation of assets.

Why? Because the grid is entering a new phase. As renewable penetration rises, the value of pure generation will increasingly depend on when power is available, not simply how cheaply it can be produced.

This has major implications for project finance.

Traditional underwriting frameworks were built around relatively simple generation profiles and long-term offtake contracts. Future portfolios will need to assess:

- Time-of-day revenue variation
- Dispatch obligations
- Battery cycling and augmentation economics
- Curtailment and balancing risks
- Co-located versus standalone storage trade-offs

- Software and control-system dependency

Indian lenders and investors are learning quickly, but the market still needs better templates. We need more operating history, more standardisation in contracts, and more realistic technical diligence for storage-linked projects.

I also believe the C&I market will be a major driver of innovation in financing structures. Large Indian industrial and commercial consumers are no longer buying renewable power only for ESG signalling. They are buying for competitiveness, energy security, and cost visibility. That creates room for sophisticated bilateral and portfolio-level structures, especially when storage is integrated intelligently.

At Growthifye, what we increasingly see is that clients need less generic fundraising advice and more translation between technical design, commercial strategy, and capital expectations. That translation is where many projects either become financeable or remain theoretical.

The Financing Models That Will Matter More Than the Headlines

There is often too much attention on large announcements and too little on replicable financing architecture. In the coming years, I expect a few models to matter disproportionately.

- Platform capital for multi-asset pipelines, where governance and execution capabilities are as important as individual projects
- Blended structures for first-loss absorption in emerging or harder-to-underwrite transition segments
- Domestic debt deepening for operational assets and refinancing
- Structured capital for storage, where repayment profiles align with actual asset performance and augmentation cycles
- Corporate-led clean energy portfolios that combine procurement, flexibility, and resilience rather than buying isolated assets

Another forward-looking view: India should prepare for a future where data quality becomes a financing advantage. Developers who can provide consistent performance data, robust forecasting, operational transparency, and digital traceability across assets will raise capital more efficiently than those relying on narrative alone.

This may sound operational, but it is actually strategic. Capital increasingly rewards information quality. In a competitive market, better data can lower diligence friction, reduce perceived risk, and improve financing terms.

The era ahead will not be won by optimism alone. It will be won by sponsors who can connect policy tailwinds, engineering choices, contractual clarity, and capital structure into one coherent investment case.

The Growthifye View

- Bankability is designed upstream. If land, grid, offtake, technology, and contracts are not structured early, financing becomes expensive or elusive later.
- India remains one of the most compelling energy-transition markets globally, but capital will flow to projects that are transparent, disciplined, and internationally legible.
- Storage and flexible power will define the next wave of value creation. The market must underwrite use case and revenue design, not just battery capacity.
- In a harder funding cycle, credibility is the new currency. The projects that close fastest will be the ones built on execution realism, not presentation optimism.

As I often tell clients, capital is not looking for perfect stories. It is looking for projects that can survive scrutiny. In this market, that is the difference between ambition and bankability.

ABOUT THE AUTHOR

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