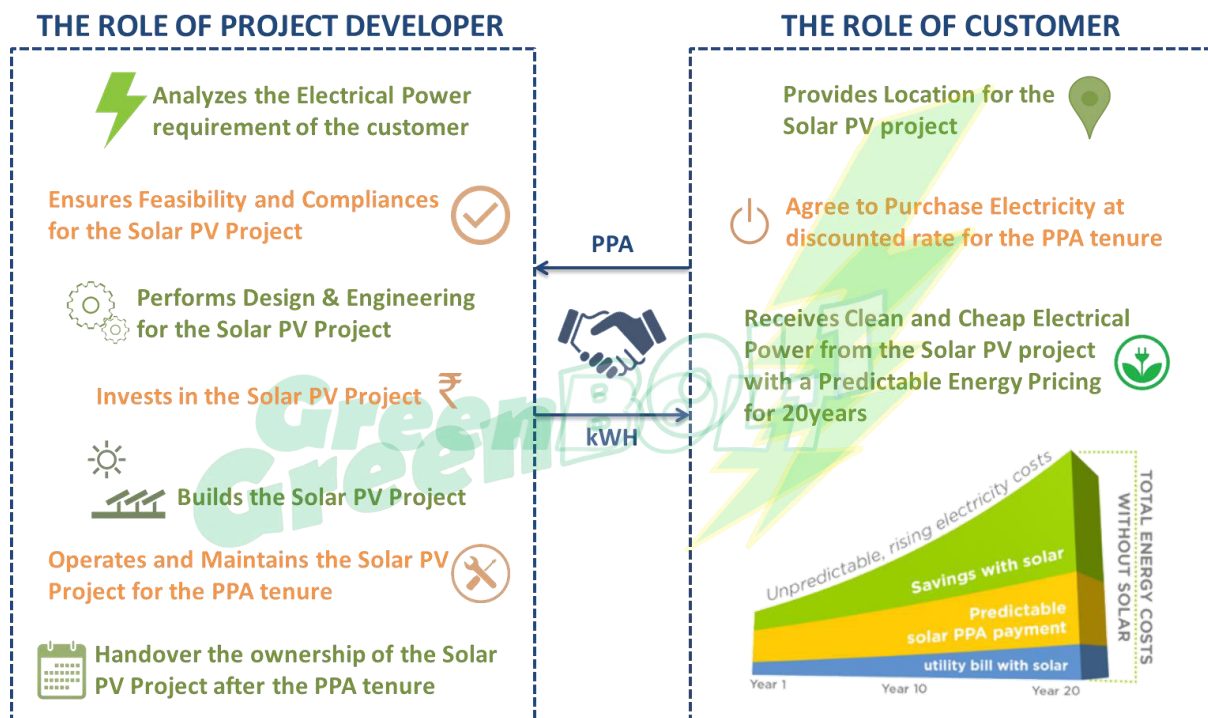


>> OPEX/BOOT Model for Solar PV Projects



A General Schematic for Opex Procedure;



Note: Roles and responsibilities depicted in this diagram can vary market to market, but this is the general concept.

Benefits to the Customer include:

1. No/low costs for the life of the project
2. No asset management responsibilities
3. Reduced energy and operational costs, once the system is commissioned
4. Protection from utility price volatility
5. Potential increase in property value
6. Visible environmental/sustainability commitment



OPEX MODEL FOR ONGRID SOLAR PV SYSTEMS WITH NETMETERING

>> Evaluating Client Profiles in OPEX Model

In order to execute projects in Opex Model, we have access to various pool of investors with specific needs and requirements. It is generally difficult to formulate a 'standard' for financing project.

However, basic information is listed here:

1. Credit Rated entity, BB and above. Lower the rating, higher default risk. Hence PPA rate, securities should be consulted before making an offer.
2. Preferred annual turnover to be 10x estimate project cost
3. Preferred Ltd, Pvt Ltd companies over Partnership/Proprietary firms. For trusts, the case is taken up individually.
4. Operational facility for more than 1 year. Company operations for more than 5 years.
5. Any industry – any state. Net metering preferred, low SPM/dust environment preferred.
6. Focus on commercial and industrial buildings. Residential projects taken on case by case basis.

List of documents are required initially

1. 3 years audited balance sheet and income statements
2. 6 months bank statement
3. Credit Rating of the entity, rating agency. (Ex: AA- rating issued by CARE.)
4. Outstanding loans
5. Company heritage and directors profile

Down the line, additional documents including but not limited to the following:

1. Land/Roof ownership/lease details
2. PAN
3. NoC
4. Leave and license for solar rooftop power plant
5. Letter of Intent on client's letterhead - listing PPA rate, escalation, tenure.

>> Selection of Projects in OPEX Model



OPEX MODEL FOR ONGRID SOLAR PV SYSTEMS WITH NETMETERING

Project Profile

1. Minimum size of 100 kWp, 10000 sq ft of unshaded roof.
2. Rooftop or Ground mount – preferred net metering (rooftop) projects
3. For captive consumption (ground mount projects),
 - a. Prefer 24x7x365 working facility, with max of 3 days of shutdown in a year
 - b. Running Power load > 3.5 x Solar kw size
 - c. PPA will have specific clause for deemed generation
4. Client DISCOM minimum monthly electricity bill of INR1,40,000/-.
5. Electricity bill/usage profile required for 12 months. (Minimum 3months, with information on seasonal change in energy demand, if any).

>> PPA Financing Model

The PPA financing model is a “third-party” ownership model, which requires a separate, taxable entity (“Project Developer” or “System Owner”) to procure, install, and operate the solar PV system on a property of the “Customer” or “Facility owner”. The Customer enters into a long-term contract (typically referred to as the PPA) to purchase 100% of the electricity generated by the system from the Project Developer.

PPA rates will be a function of following parameters:

1. Client Credit profile
2. Tenure of Agreement
3. Escalation Rate
4. Size of single project

PS – The details are subject to change without prior notice.

Contact us, for further details regarding OPEX Projects.

