

Your Solar Rooftop Partner of Choice

Strategies, Policies, Regulations and
business models to promote solar
PV rooftop projects

Dubai example

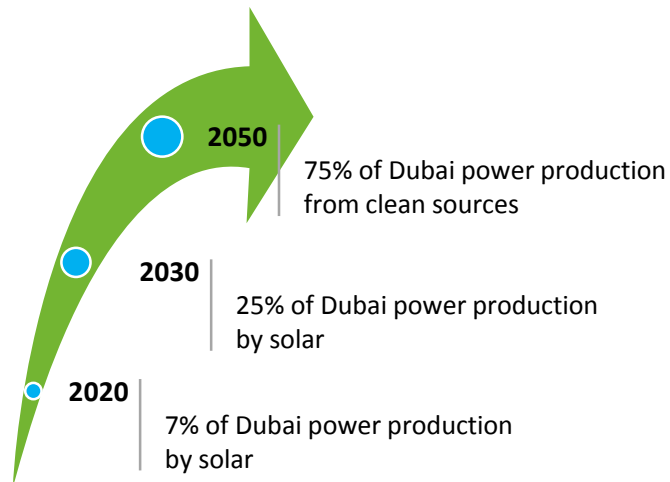
13 December 2017

Context

A strong political will and a new regulatory framework have emerged

A strong political ambition

- Protection of the Environment as a **vital challenge** globally
- Development of **long term national initiatives**
- **Diversification of the energy resources** as an area of strategic



A new regulatory framework

- Solar rooftop program launched in early 2016 in Dubai
- **New regulation** issued to regulate the connection of solar energy to DEWA grid
- This rooftop **net-metering** scheme regulatory framework is called “Shams Dubai”

▶ **Dubai is at the forefront of this initiative**

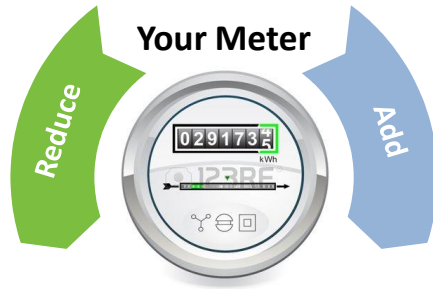
Solar energy is key in the diversification of the energy mix

Dubai’s ambition is to install solar panels on every rooftops by 2030

New Regulation

What is Net Metering?

Net Metering Principle

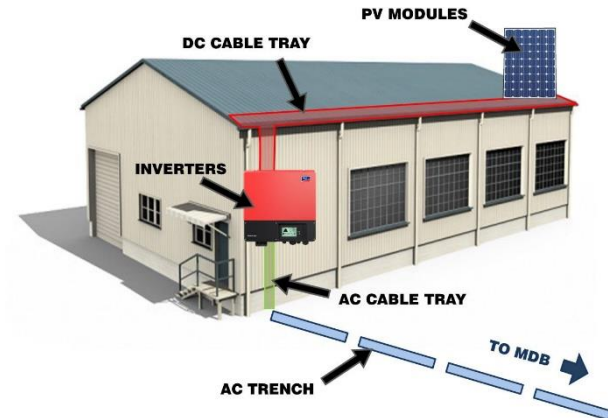


- “Add “ when need more electricity than solar system can generate
- “Reduce” when any surplus of electricity produced is fed to the grid

► Use the grid as an energy storage for free






Additional facts of regulation

- Net Metering regulation allows you to **generate solar energy** on site while remaining connected to the Grid
- Solar electricity is **used on site**
- **Surplus is exported** to the Grid in exchange of electricity credit
- **Private developers** can own the PV system



Value Proposition - Financed vs non-financed approach

Financed approach enables clients to allocate their capital to core business

	Self - Investment	Financed solution
 Investment	Significant upfront cost Operational expenditures Working capital mobilized	No upfront cost No Operational cost No loans
 Risks	Construction risks Full operational and performance risks	Limited risk: you pay for what you get
 Commitment	Full ownership	Long term commitment option to purchase (after lockup)
 Process	Lengthy capital approval	No investment + limited risks = simple approval process
 Resources	Manage many stakeholders: contractor, consultants, authorities	Minimum resources required

▶ **Choosing a financing method for solar rooftop is not driven by the ability to self-finance but rather by your risk-return preferences**

Clients prefer allocating their capital to core business activities

Value Proposition – Possible commercial models for financed approach

SirajPower has chosen to offer solar lease agreement

Not KWh-based model

- Deferred payment scheme
- Equipment lease
- Energy saving company (ESCO) model

▶ **ESCO model (well established RSB framework)**

Performance risk partially assumed by Developer

KWh-based model

- **Power Purchase Agreement**
 - Developer sells electricity to DEWA
- **Lease agreement**
 - Lessor owns the solar system till term of agreement
 - Lessor leases the use of a solar system to a Lessee
 - Lessee pays for a rent (based on KWh produced)

▶ **Performance risk assumed by Developer**

Value Proposition - Business proposition

What is solar leasing?

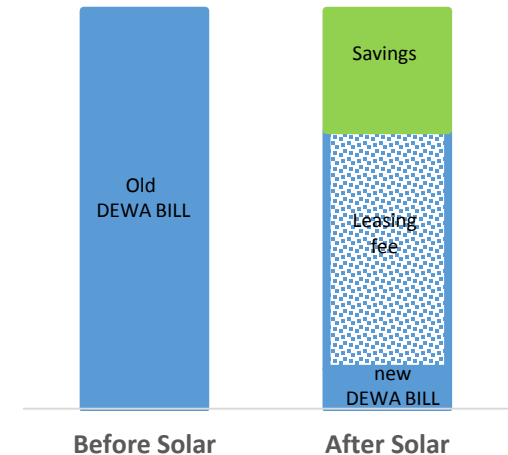
You are the Lessee

- No upfront investment
- No operational obligations
- Enter into a lease agreement for a period of 20 years
- Pay a rent for the use of the solar System based on kWh produced
- Can purchase the System at any point of time (after lock-up period)
- Own the solar System at the end of the Lease

We are the Lessor

- Manage the permitting
- Responsible for EPC of the solar System
- Manage all O&M obligations so to maximize the electricity output
- Finance the initial capital and operational expenditures
- Charge a rent for the use of the solar System based on a kWh tariff cheaper than the available utility rate

Energy Production



► **Solar Lease is a clear opportunity for Industrial and Commercial customers to secure significant savings while limiting financial, technical and operational risks**

Credentials

SirajPower has already delivered a number of solar rooftops in Dubai



HEPWORTH

Project Location

DIP -Dubai, UAE

System size

1.04 MWp

Roof Area

13,000 m²

Number of modules

3,990

Annual Energy Production

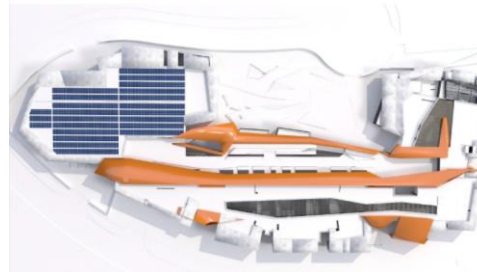
1.6 GWh/year

Lease Duration

20 years

Completion Date

Jul - 2017



AXIOM TELECOM

DSO-Dubai, UAE

0.4 MWp

3,800 m²

1,500

0.6 GWh/year

20 years

2017



RSA LOGISTICS

DWC - Dubai

1.1 MWp

20,000 m²

4,200

1.8 GWh/year

15 years

2017