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Electricity where the sun shines

Sunlabob Solar Community Systems

Three packages of installation and services for reliable electricity over a long time

Solar Community Systems (SCS) can be for either public or private purposes. Public purpose systems are for instance lighting for schoolrooms, healthposts, etc. They must be funded through public mechanisms of the community. Private purpose systems are when various persons share a system for their own private benefit, such as for instance a farmers group for operating pumps for a drip-irrigation system, or a processing group for operating a sterilizer or cooler, etc. Such systems are financed by the group.

Sunlabob has several years of experience in installing solar community systems. Over the years we have found that financial arrangements often have just as much influence as the technical aspects on whether a community system has a sustained impact after about 2-3 years and can operate for the full life-expectancy of the equipment. Too often solar systems are installed, and they operate for a while. But later when replacement investments for components come up, very often the systems then lay idle. Furthermore, good servicing can greatly improve their life-expectancy and therefore reduce the costs of electricity. Through its network of trained and franchised service providers Sunlabob is in a position to ensure such backup over the years also in remote areas.

Based on these experiences and considerations Sunlabob at present offers the three following arrangements for Solar Community Systems. (Of course, the same arrangements can also be made with adaptations to wind-systems, hydro-systems and or hybrid - systems).

Take up contact with Sunlabob if you are interested in any of these packages.

SALE

Sunlabob installs the system, and is paid the full cost-covering price for the equipment and installation. Through a service agreement Sunlabob will maintain the system and

replace components as needed. The community has to pay for each servicing and for the replacements of the components.

- Ownership of the system: Is with the community.
- Funding: Ideally the community pays Sunlabob. But usually some donor agency or program pays Sunlabob and presents the system to the community. The follow-up funding is usually not considered and left to the village to organize.
- Contractual arrangements: Installation contract, service contract.
- Advantages: Standard procedure that Sunlabob has often been engaged in. Service contract ensures proper maintenance and longevity of the equipment.
- Disadvantages: Follow-up costs are rare, but large. For several years the system is experienced to be “free”, when actually major expenditures are looming after the batteries break down. Suddenly then the community has to organize funds in an emergency. Given the lack of an efficient financial sector in rural areas, savings for such events are not really possible. Very often the SCS then lay idle, even though the panels are perfectly in order.

RENT

Sunlabob installs the SCS and rents it to the community at a fixed monthly rent that covers all costs: Equipment, amortization, capital costs, servicing, etc...

- Ownership of the system: Remains with Sunlabob
- Funding: From the rental fund operated by Sunlabob. The money in the fund comes from various investors, as either credit or equity. The rents flow back into the rental fund.
- Contractual arrangements: Rental contract
- Advantages: No large initial costs for the community. Regular monthly fee, that is planable for the community. Electricity is available already after the first fee. When the system does not operate, the community does not pay the fee. Sunlabob therefore has a vested interest in keeping the system operational at top reliability. This also allows to install more expensive equipment because it is more reliable and leads to lower rental fees. The community can easily drop out by simply stopping the rental agreement. For instance when the grid arrives in the village, or other options become possible. The community can also easily change the size of the system they want to rent.
- Disadvantages: The highest rental fees for covering all costs.

MANAGEMENT

A mix between the two above options in order to combine advantages and avoid disadvantages: Sunlabob installs the system and is paid the full cost-covering price for the equipment and installation. In a management contract the system is then given to Sunlabob to maintain in good order. For this Sunlabob charges a fixed fee per month that covers amortization and servicing. This means that with this fee Sunlabob will do the repairs and replacements of components once their life-cycle is over, thereby keeping the system reliable and operating for an indeterminate time. This fee of course is lower than the rental fee, because the equipment and installation have already been paid for, and capital costs do not appear either.

- Ownership: Is with the community. A management-contract hands over management to Sunlabob. This arrangement can be terminated, with refund of non-used amortizations back to the community.
- Funding: Ideally the community pays Sunlabob for the initial equipment and installation. But usually some donor agency or program will provide the funds to the community for paying Sunlabob. The regular fees after installation flow into the rental fund of Sunlabob.
- Contractual arrangements: Installation contract, management-contract
- Advantages: The follow-up for reliable and sustained operation of the system is ensured. All advantages of a rent, but at a lower fee, except lower flexibility.
- Disadvantages: Lower flexibility for the community. When the community wants to change arrangements, it is left with a system in its ownership which it must try to sell, etc...