



Has Large-Scale Solar got its Sums right?

EPC Perspective

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DRIVERS: LEVELIZED COST OF ELECTRICITY



EPC CAPEX

PV Module: Recent increase in Prices
 Tracker: Higher Steel Cost in 2017
 Local Cost (Civil, Installation): Low in Middle East, India, Mexico, could be 2X in Africa, Argentina or Bangladesh
 Transportations: Extremely high in Africa



Generation

Higher Module Efficiency
 1500 V Technology
 Bi Facial Modules
 Automated Cleaning Technologies



Other CAPEX Project Development

Longer Development Cycle means more Cost
Insurance

Africa/SE Asia/Argentina has High Cost of Insurance (MIGA, CAR)



Borrowing Rate

Higher for Africa, Parts of Asia
 DFIs are usually more expensive



Construction Period

Interest During Construction
 Africa/SE Asia/Australia have longer construction Period



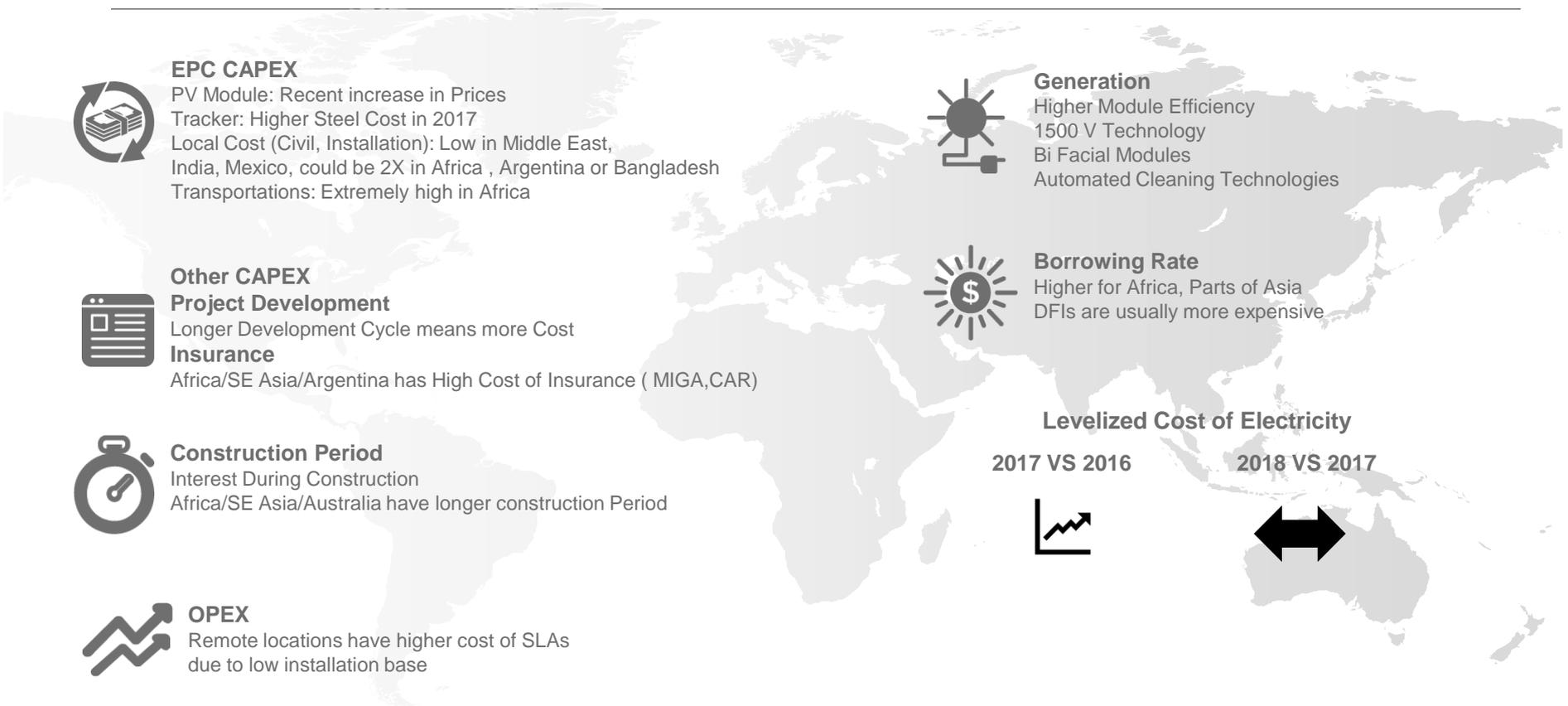
OPEX

Remote locations have higher cost of SLAs
 due to low installation base

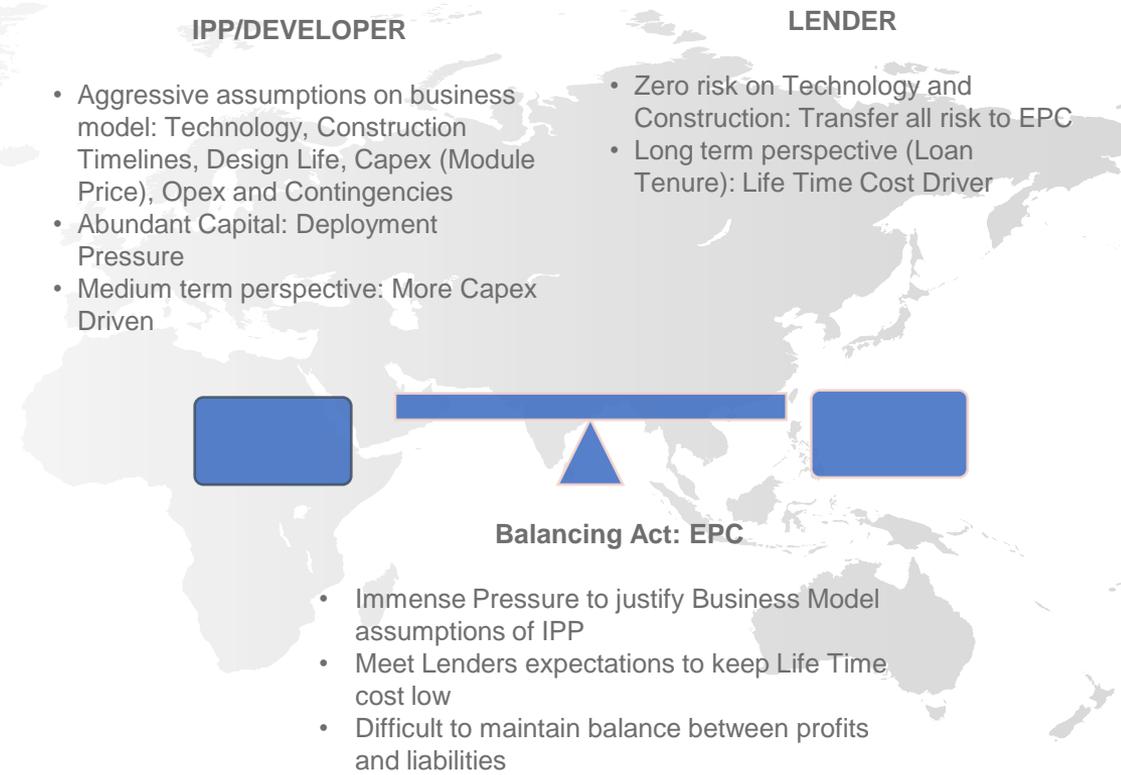
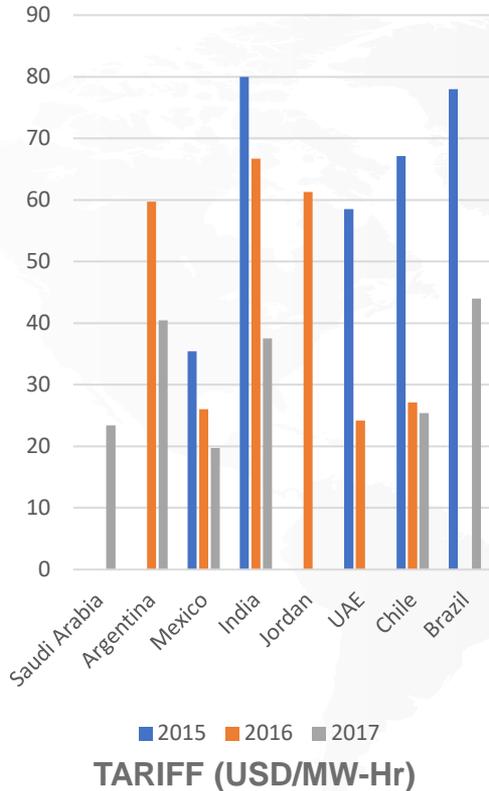
Levelized Cost of Electricity

2017 VS 2016

2018 VS 2017



TARIFF TREND, EXPECTATION GAP: IPP, LENDER AND EPC





STERLING & WILSON 

Thank You

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