

IPPs and PPAs

Board Member Workshop
26th Annual PPA Meeting
Samoa

IPP advantages:

- Minimal investment
- no responsibility for O&M
- lower disaster risk to the utility

Ownership Advantages:

- Likely to provide the highest monetary return
- Operational flexibility
- possible funding by donors
- PV can be distributed geographically to help reduce output variations due to clouds

Combination: Utility ownership of assets, O&M by IPP

- All ownership advantages without O&M responsibility

Considerations – what is the action that is to be taken by the utility and the IPP if:

- The utility must throttle back the IPP generation on the weekend due to low load
- IPP generation is greatly reduced or ceases due to failure of its main inverters or other major component
- IPP generation is greatly reduced or ceases due to a natural disaster (cyclone, tsunami, etc.)

- What are the arrangements in the PPA for management of failed components, especially panels, panel mounts and batteries if included.
- What is the process to be followed at the end of the contract?
- What happens to the installed equipment if the IPP company fails?
- When the project ends and the solar is to be removed, what procedures will be followed for recycling, salvage, and rehabilitation of the site?
- How is the kWh cost of energy established? Is it for the life of the installation or subject to change after a specific number of years of operation?