

#### SUNLIGHT POWER MAROC .

PV Service Model for Rural Morocco What does it take for Scale-up and Success?

Presented by Mr. Mark F. Opel and Dr. Abdelhanine Benallou

Village Power '98
S caling Up Electricity Access For Sustainable Rural Development
October 6-8, 1998
Washington, DC



# SUNLIGHT POWER INTERNATIONAL Holdings, Inc. Mission Statement

To be a leading global supplier of solar electric services to unelectrified populations



### SurLight Power's Business

- Developing Countries
- **b** Off-grid, Unelectrified Customers
- Photovoltaics Small Systems 25-75 Watts
- **b** Own and Operate
- Full Service Provider Installation, Maintenance,Upgrades, Appliances, Community Outreach



# **SurLight Power Business Strategy**

- Payment Options Fee-for-Service, Credit, Cash
- **b** Local Partnerships
- b HQ/Operating Company/SunLight Service Center™ Team Relationships
- **b** Controlled, Profitable Growth
- Private Capital



### SunLight Power Maroc

- First Operating Company of SunLight Power
- **b** Transferability of the Business Model
- ▶ Profitability at 2,500 Customers per SunLight Service Center<sup>™</sup>
- b Ability to Attain 5,000 Customers in first 12 Months
- Test SunLight Power Policies and Procedures Planned for Global Network of Operating Companies



# SurLight Power Maroc Why Marocco?

#### Environment

- **b** Political and Economic Stability
- Political and Utility Support
- Market Distortion Limited
- **b** Important Market Potential



#### Why Maracco?

#### Need

- **b** Rural Population: 13 Million+
- b Unelectrified Villages: 40,000 (70% of Rural Population)
- Current Electrification Rate (Grid and Other): 10-15%
- **b** Large Dispersion of Households
- Estimated Potential Market:16,000 Villages 1,600,000 Customers



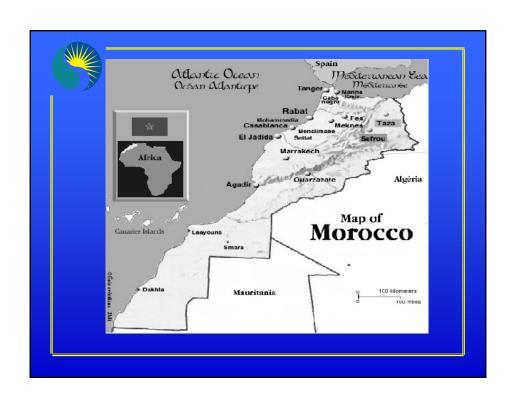
#### **Market Characteristics**

- Households, Mosques, Schools and Rural Health Clinics
- **b** Mostly Agricultural Incomes
- **b** Large Demand for Lighting, TV, Satellite Dishes
- **b** Important Traditional Energy Budgets
- Ability and Willingness to Pay



#### SurLight Power Maroc Overview

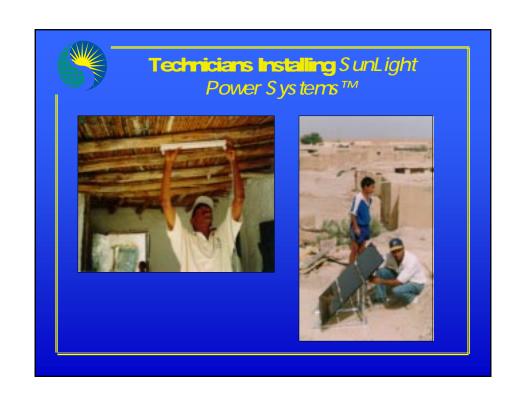
- Incorporated in March 1998
- Capitalized with over US\$1 Million from SPH
- ь HQ in Rabat
- **b** Technician Teams
- b Operations in 2 SunLight Service Centers™
- Contractual Relationships with Local Intermediaries for Marketing and Revenue Collection
- Over 300 Customers 2/3 Fee-for-Service, 1/3 Credit/Cash
- b 2,500 Customers at Each SSC in 12-Month Period













# SurLight Power Marcc Aggressive Scale-up is Critical

- Prove Fee-for-Service Model
- Prove Financial Viability
- **b** Gain Additional Necessary Capital
- Prove Ability to Local Utility and Government
- **b** Stay Ahead of Local Competition



# SunLight Power Maroc Scale-Up Issues and Difficulties

#### Capital

- **b** Capital Intensive Business Model
- **b** Success Requires Expanding Capital Base



# SurLight Power Maroc Scale-Up Issues and Difficulties

#### Operational

- **Logistics**
- Marketing
- ь Training
- **b** Education
- Contractual Relationships
- **b** Revenue Collection
- ь Geographical Issues
- Local Income Patterns and Cultural Issues



### SurLight Power Maroc Scale-Up Issues and Difficulties

#### **Political**

- **b** Local Authority Structure
- **Local Competition**
- **b** Relations with National Utility and Government

