

Making it easier to shop for a solar power system

BY TAN ZHAI YUN

Installing a solar power system in the home can be a tedious process for consumers. First, they have to find a provider with a good reputation or pricing. If financing is needed, they have to look for a bank that can meet their needs. Then, they need to get in touch with their provider for their maintenance needs.

Understanding these pain points, technology provider OpenSys Technologies Sdn Bhd recently launched buySolar, the country's first one-stop online solar marketplace. The platform connects consumers with solar power system providers, banks and other players. The company is a subsidiary of Bursa Malaysia-listed OpenSys (M) Bhd.

"I would say one of the huge challenges in adopting solar energy [solutions] is financing. We hear this quite often [from consumers]. So, when we brought this idea to CIMB Bank Bhd, it was very excited as this would fit into its sustainability programme," OpenSys chief operating officer Luke Sebastian tells *Personal Wealth*.

"We also approached the Sustainable Energy Development Authority Malaysia (Seda) and Gsparx Sdn Bhd. We cannot work in silos anymore; we have to collaborate."

Essentially, buySolar consolidates the process of buying, installing and servicing solar power systems. This means users can apply for a system, estimate the cost, select the service provider, opt for financing and monitor the performance of the system via the platform.

To launch buySolar, OpenSys partnered Seda, which is the government agency authorised to implement the Net Energy Metering (NEM) programme; CIMB Bank, which is the official financier; Gsparx and TNBX Sdn Bhd, both of which are subsidiaries of Tenaga Nasional Bhd.

Gsparx will direct buySolar users to its 22 registered solar power service providers, including Atlantic Blue Sdn Bhd (a wholly-owned subsidiary of Solarvest Holdings Bhd), Aco Eco Sdn Bhd and ERS Energy Sdn Bhd.

"The platform ensures product quality and provides financing options to consumers. These are some of the pain points domestic users face when embarking on this journey. You can also get a response to your queries on solar power and work with reputable stakeholders," says Sebastian.

The solar power system providers help users apply for the NEM quota, which contributes to significant cost savings. Under the NEM scheme, consumers who generate solar energy



can sell their excess electricity to Tenaga at the rate at which they buy electricity from the utility. The consumers then receive energy credits that can be used to offset their electricity bills.

According to Sebastian, by installing solar panels and joining the NEM scheme, consumers can enjoy energy savings of 54% to 87%, depending on the size of the roof and amount of energy used. A 3kW solar power system starts from about RM20,000 on the platform. It is generally suitable for those with monthly electricity bills of about RM300.

The NEM scheme in its current form may not continue past December 2020, so consumers should take advantage of the opportunity now, says Sebastian. "The main incentive now is the NEM as you can get a one-on-one offset advantage. Now is really the time to grab hold of the NEM rates before the programme is changed. Of course, we think the Ministry of Energy, Science, Technology, Environment and Climate Change or Seda will come up with other initiatives to drive the renewable energy targets. So, we will see what else they have to offer."

THE USER JOURNEY

On buysolar.my, users receive a quotation on the estimated cost of installation by inputting their

average monthly electricity bill, property type and address. Interested users are then directed to Gsparx, which will arrange for a service provider to do a site visit, make the necessary applications and install the solar power system.

At this point, users can indicate that they want financing, in which case they are directed to CIMB Bank. The bank will contact them to understand their financing needs. "Domes-



SUHAIMI YUSOFF/PTHE EDGE

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Sebastian

tic consumers can finance their solar power systems using their credit cards or other options, such as personal financing or mortgage financing," says Sebastian.

CIMB Bank also has a renewable energy financing programme for small and medium enterprises.

Commercial and industrial consumers can access Gsparx's solar power purchase or leasing programmes. These programmes require zero upfront cost and consumers pay a monthly sum for a fixed period of time.

In the future, buySolar may include insurance products for solar power systems and maintenance packages.

After installation, users can sign up for a maintenance package with Gsparx and monitor the performance of the solar power systems in real time via buySolar. The platform is powered by OpenSys' Internet of Things system.

Although buySolar is a one-stop platform, it does not offer much in terms of choice currently because only two of its partners — Gsparx and CIMB Bank — offer products and services directly to residential consumers. Of course, they are free to seek their own financing options even if they purchase their solar power systems via the platform.

When asked, Sebastian says buySolar is just starting out. It may add other partners in the future. "One of the key reasons for going with Gsparx and TNBX is that they are also grid providers. Working with them was a natural process because if something does not work, we can quickly identify whether the problem is the solar power system or the grid. Working with them also gives us the opportunity to look at other features that we can add to the marketplace.

"We are just starting out and enriching the marketplace. We will see how this progresses. In our road map, the initial step is to bring reputable players together. After that, we will look at what sort of value we can add and what other stakeholders can play a role in the marketplace."

ENGAGING WITH STAKEHOLDERS FOR MORE SOLUTIONS

Another issue residential consumers may face now when buying solar power systems is the relative lack of financing products that meet their needs. That is because most banks and leasing programmes currently target commercial and industrial consumers.

Gsparx replies in an email that the payment option for a leasing plan it offers is no longer available to residential consumers. Under this plan, consumers do not have to pay any upfront costs. They merely pay a fixed monthly cost and get to own the solar power system at the end of the lease period.

Currently, residential consumers use cash, credit cards and personal loans to purchase solar power systems. Some banks have special instalment plans for credit card customers.

"We know that residential consumers have limited options now. It is our goal to engage with stakeholders to see how we can enrich the financing options to end users. Once the take-up rate is there, we can look at the spread, study the information and see what services can fill the gap. The key is to build the pick-up rate," says Sebastian.

"For example, TNBX offers the Supply Agreement for Renewable Energy scheme, which is only available to commercial and industrial customers. But we are in discussions with the company to see if such a service can be extended to the residential market. Then, banks will be more comfortable providing financing and come up with more innovative products targeting this market. Our goal is to make solar power accessible to all."