SirajPower

REGIONAL SOLAR LEADER

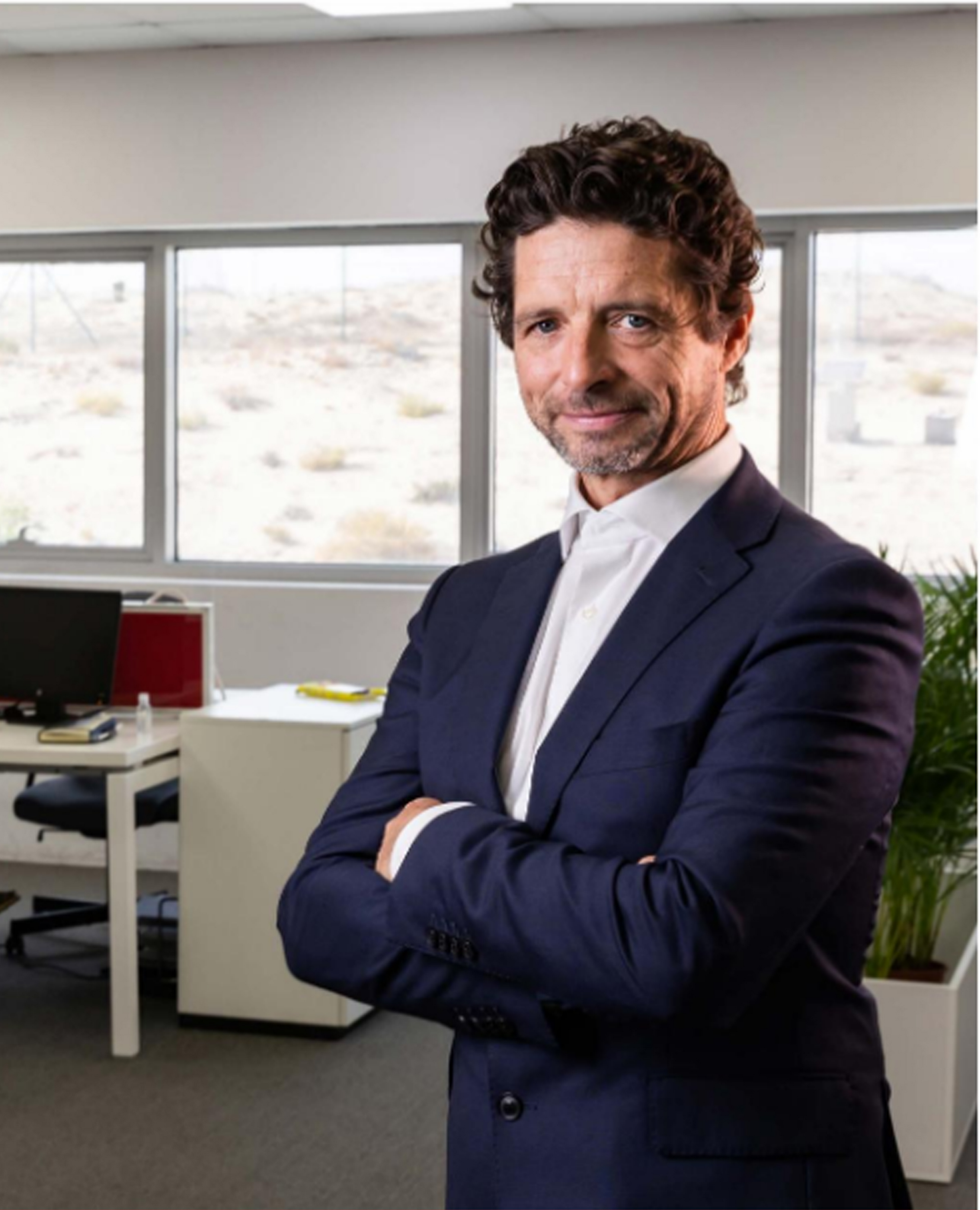
SBM speaks to Laurent Longuet, CEO at SirajPower, about accessible solar power, curating a diverse portfolio, and the importance of a flexible approach to solar solutions.

By Daniel Baksi

SirajPower is a Dubai-based solar energy company providing development, financing, construction, and operation of solar rooftop installations for commercial and industrial (C&I) users across the region. SirajPower was founded in 2015 by one of the Emirates' prominent families. "Solar power was gaining popularity in the region for utility-scale projects, but we intuitively predicted that there would be a market uptake for private companies to go solar to reduce both their energy bills and carbon footprint," says Laurent Longuet, CEO of SirajPower. "That's why we decided to establish SirajPower, to focus on addressing the C&I market. We started in Dubai where we were based, as it was the most mature market at the time. Since then, through our innovative solar leasing model, we've established and developed the largest solar asset portfolio totaling 100 MWp, positioning SirajPower as the leader for distributed solar in the UAE."

ACCESSIBLE SOLAR

One of the challenges for solar energy adoption to businesses is the upfront investment. "This often prevents private companies from going solar because they would rather focus on their core business instead of deploying capital to a solar system that they are not familiar with," explains Mr. Longuet. "From inception, our goal was to address this concern by offering risk free-fully-financed solutions to the C&I market. We offer our customers a solution where they can substantially reduce their energy expenditures without having to pay any upfront investment with the benefit of reduced CO_2 emissions. That's our value proposition."



Working predominantly in Dubai so far, SirajPower's local, on-the-ground presence enables the company to build long-lasting relationships with its clients. "In general, the contracts we have with clients run for approximately 18-20 years," says Mr. Languet. "From our clients' perspective, it's not a simple transaction. They're not looking for the cheapest contractor but rather a reputable and long-term partner. By being a 100% local company, we're able to bring a lot of comfort to our clients. They know we're not a foreign company that might disappear or resell its portfolio after a few years. We're here to stay for the long-run."

DIVERSE PORTFOLIO

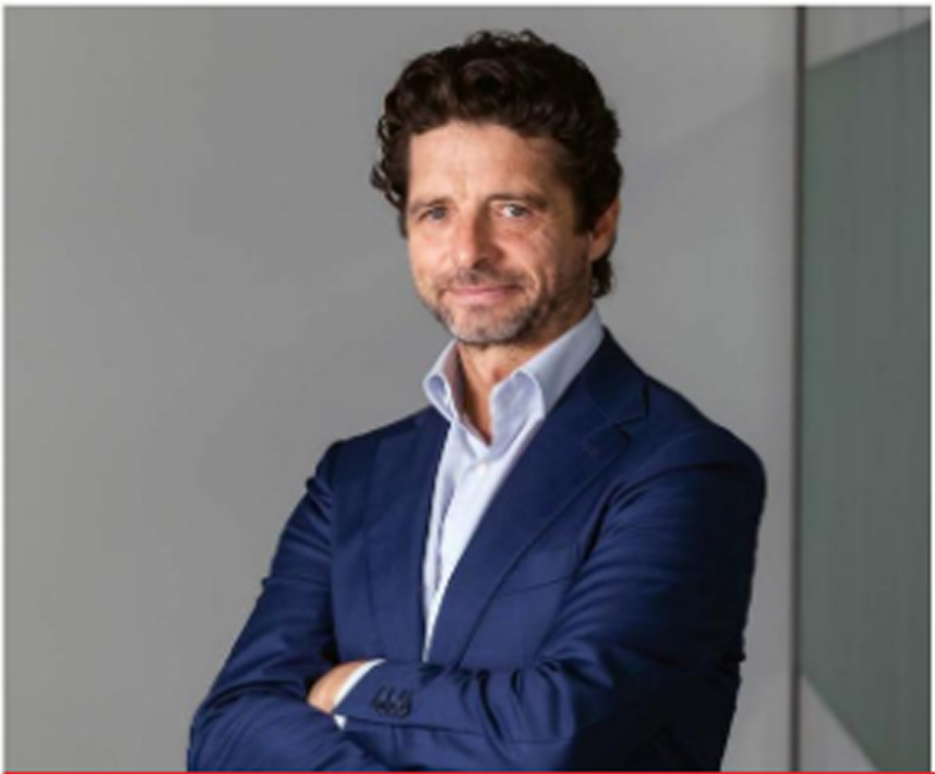
An illustration of this long-term approach is the relationship SirajPower has built with Dubai-based logistics firm RSA Global. "RSA was one of the first movers in the solar market," says Mr. Languet. "We started working with them 4 years ago, in 2017, implementing the first solar system on one of their rooftops. Afterwards, they returned to us with an increased electrical consumption, and so consequentially, we augmented the size of their solar system. The same situation happened again last year, so we're now covering all RSA's parking with solar systems. As of today, we've worked with the client on more than five solar rooftop installations, and an overall solar portfolio of 5.4 MWp. It's a perfect example of the partnership approach that we look for: We never look for one quick win, but rather focus to establish thriving partnerships, and from there constantly improve, address challenges, and create continuity into new projects."

SirajPower's success in promoting the take-up of solar power is reflected in its project portfolio diversity. "Logistics companies are a no-brainer: they have large rooftops, and high electrical consumption," says Mr. Languet. "But we've also worked with one of Dubai's major real estate developers, Majid Al Futtaim, which is, of course, a very well-known name across the region. We offered them a solution for one of their new, high-end real estate developments, for which we had to ensure the solution was equally high-end in its appearance. Recently, we've also further diversified our portfolio by making a foray into the education sector. Indeed, we closed a deal with Kent College, located in Dubai, not only providing them with cheap and renewable electricity, but also contributing to their sustainability program. Over the next 20 years, we've committed to delivering lectures or workshops to their students every quarter, teaching them about solar, and showing them how it can be practically implemented. Increasing number of local conglomerates have also partnered with SirajPower, and this further strengthens the company's position as the only locally-owned and long-term preferred solar partner for major UAE group of companies. Today, when I'm asked what our potential clients are, my answer is: literally anybody within the region can benefit from solar."

FLEXIBLE THINKING

A key pillar of SirajPower's approach is the company's ability to tailor its solutions to suit individual clients' needs. This approach has been put to good use in a partnership with DP World, the world's largest marine ports operator. "Our proposal for DP World began initially with solutions to cover large rooftops", explains Mr. Longuet. "They came back to us, with additional accommodation buildings, each with small rooftop footprint that they wanted to cover with solar. For that, we had to change our way of thinking. We custom-designed solar rooftop systems that span across 110 mid-rise buildings, making them as standard as possible to make sure we could be competitive, adopting a factory production line's mindset. From a technical point of view, that's how we try to be present/accessible – innovating and suggesting new ideas while meeting the same contractual requirements. Our business is not a hypermarket; it's more of a niche, high-quality shop. Whereas some of our clients want 10-year lease contracts, others want 20 years, while some want the option to exit after 5 years, and so on. It makes the business more challenging, as you can't have a one-size-fits-all contract. Instead, we have to adapt to each of our client's requirements, we need to be customer centric to serve them well."

Moving forward, the company is hoping to take on more projects, further expanding its already diverse portfolio. "Last July, we achieved a significant milestone: we secured the first non-recourse financing in the region for a portfolio of solar projects," says Mr. Longuet. "Non-recourse financing has been done before on utility-scale projects; some competitors had been able to share or sell part of their capital to some financial institutions, but we're the first to be able to combine the best of the two worlds: to get a loan on a non-recourse basis, and for a portfolio. It shows that what we've done is bankable; it has been audited by banks, by technical auditors; and we now have access to unlimited capital to pursue the company's further development, in the range of $50 million dollars in the first tranche. Being the forerunner, we have paved the way, and other players will follow, so it gives us confidence that we have a solid standing for the next two years to fund our local and international development."



"SOLAR IS GREAT: BECAUSE WHEN YOU PRODUCE YOUR OWN ELECTRICITY FROM YOUR OWN ROOF, YOU ARE FAR MORE CAPABLE OF FACING A CRISIS THAN IF YOU SOURCE YOUR ELECTRICITY EXTERNALLY."

BRIGHT FUTURES

As the new era of COVID-19 increases pressure on businesses, SirajPower believes that the demand for solar is only set to increase significantly. "The vast majority of companies are always looking to save on their operational costs, but today this is even more critical," explains Mr. Longuet. "It's now established as a fact that, in this region, the cheapest way to do so is with solar, hence the inevitable growth of the C&I market. Companies now recognise the risk that depends on partners, clients, or suppliers 5000km away when it comes to such a difficult period and are interested in finding solutions that make them more resilient. In that respect, solar is great: because when you produce your own electricity from your own roof, you are far more capable of facing a crisis than if you source your electricity externally, through a power plant that isn't under your control. This drive towards resilience is already accelerating the development of solar, and in the last few months, we've seen a lot of new projects materialising."

In response to this increased demand, the company hopes to expand in new directions. "Our portfolio in UAE's on-grid market is now 100 MWp," says Mr. Longuet. "SirajPower started to provide its operation and maintenance (O&M) services to all solar plant owners in the region beyond its owned portfolio to help them increasing the savings they generate from their solar plant. We're also looking at proposing similar solutions and new technologies, such as solar hybrid systems, to clients for different applications. That might mean other countries – that's why we're setting up in Saudi Arabia, and Oman – but also different applications, in the sense that we're now proposing solutions for companies not connected to the grid, with facilities in the middle of nowhere running on gensets. We want to extend our reach to these remote customers, allowing them to go solar with a fully-financed scheme. 2020 has been a year in which we did our homework: we've set up a strategy, developed the solutions, and we've set up the necessary legal entity. 2021 will be the year when the first of these projects become available, when they'll be built, and put into operation. Five years ago, our objective was to propose solutions to any C&I clients in the region. That's very much what we still have in mind. We want to change the way the region is powered and become the regional leader for the C&I solar market." □