

## Profitable and affordable solar energy services in Lao PDR

By Andy Schroeter

Sunlabob Rural Energy Systems Co., Ltd, P.O.Box 9077, Vientiane /Lao PDR, Tel./Fax +856 21 313874

E mail: [sunlabob@laotel.com](mailto:sunlabob@laotel.com) [www.sunlabob.com](http://www.sunlabob.com)



## Contents

- Introduction to Sunlabob
- Sunlabob's operations
- Concept of the Sunlabob Rental System
- Training
- Financing
- Outlook – Community Units
- “A word on subsidies”
- Conclusion



# What is Sunlabob ?



- A Lao Company operating in the field of RE, registered in 2000
- Staffing : 25 staff at headquarters and 21 provincial franchisees
- Operation Modus : independent and nation wide
- Sales amount : approximately 380 KW PV (4.300 units) since 2000
- Sales manner : cash, credit or rent-based to households, villages, agencies, enterprises and government
- Sales coverage : Laos and neighbouring countries



# Sunlabob's objectives :

- Providing rural energy systems to remote populations at low cost
- Establishing a franchise system
- Establishing maintenance service
- Creating a sustainable system for after-sales service
- Introducing a “Fee for Service” -System for household- and community units
- Avoiding dependance on subsidies and creating investment opportunities
- Promoting public awareness
- Supporting international networking



# Our Mission



...to be competent in logistics  
and operational handling



# Our Mission



.... to be competent in providing  
commercially viable energy  
services





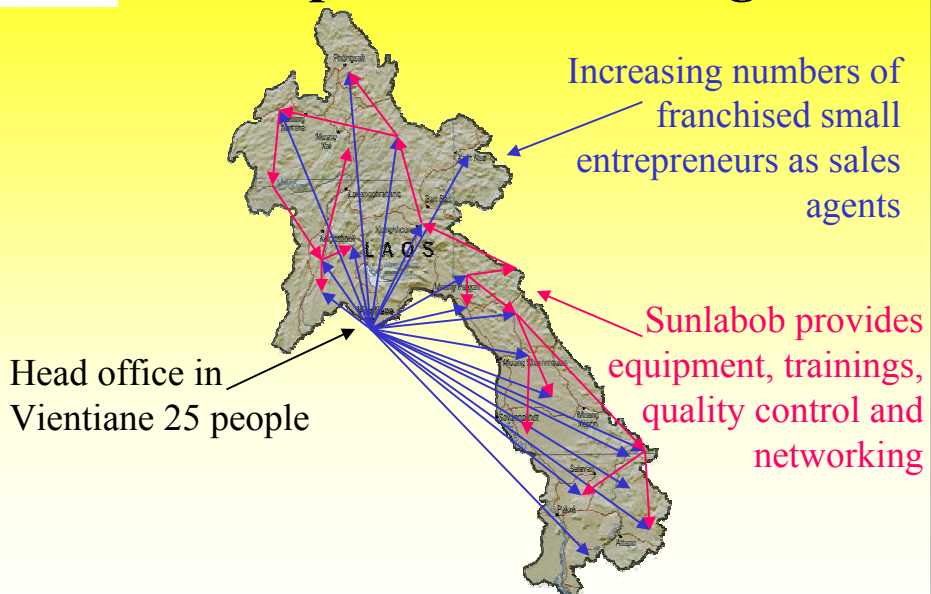
# Our Mission



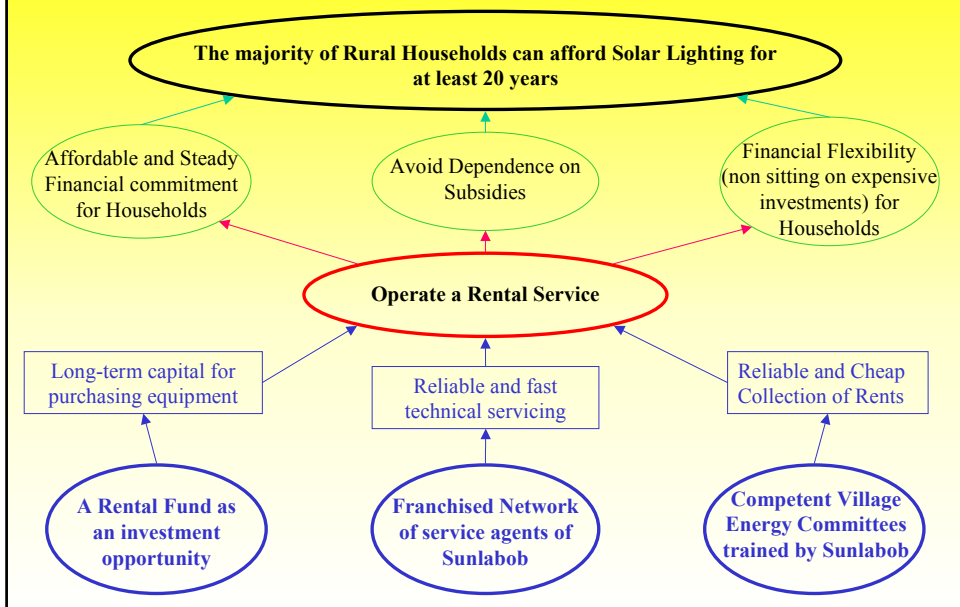
.... to be competent in reaching the remotest areas in Lao PDR



# The Operational Setting



# Argumentation for rental service

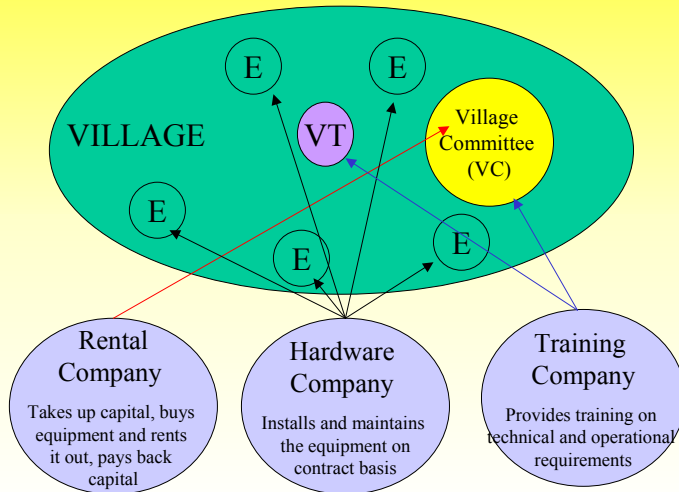


# What is a rental system?

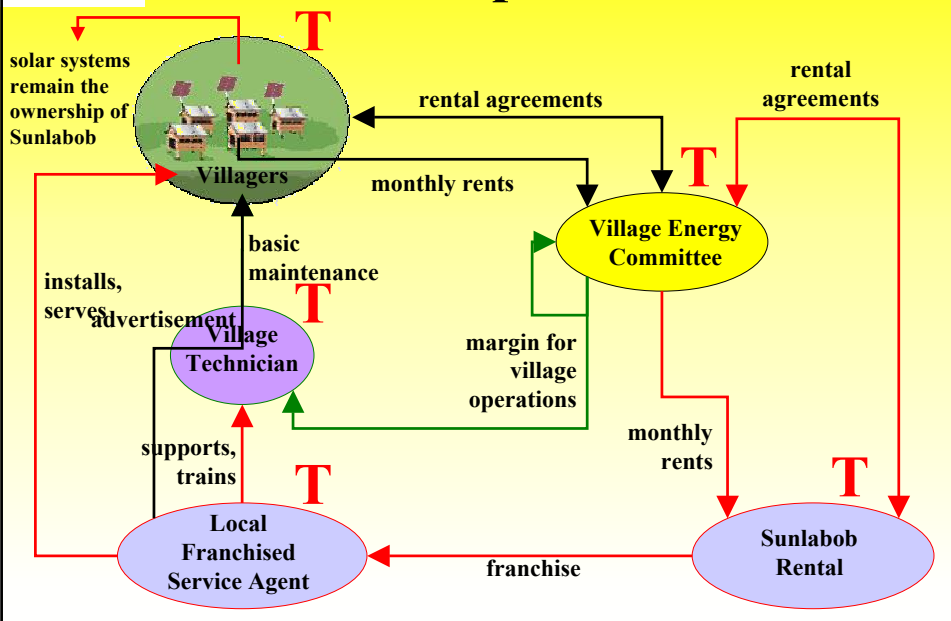
Our “rental system” is a Solar energy unit, which is installed in households or community bases. The users pay for the electricity on a monthly basis, depending on the size of the unit.

The installed equipment remains property of the provider.

# How is the rental system organized ?



# Rental Operations







## End-user training...

It is important that End-users understand how they can keep their SHS in good shape.



## Entrepreneur training...

It is important to have motivated and competent sales agents. Sunlabob identifies the best small-entrepreneurs-trainees to become the franchise sales agents.





## Village Energy Committee training...

It is important to have well trained VECs, able to support and manage the operation of the rental system on village level.



## Village Technician training...

The Village Technicians are an early warning system. They crucial contribute to the long-live-operation of the systems.







## Sunlabob staff...

It is essential to have experienced and skilled trainers, supervisors, managers and technicians on central level. Continuous upgrading training based on the newest technical and management developments to all staff members is assured.

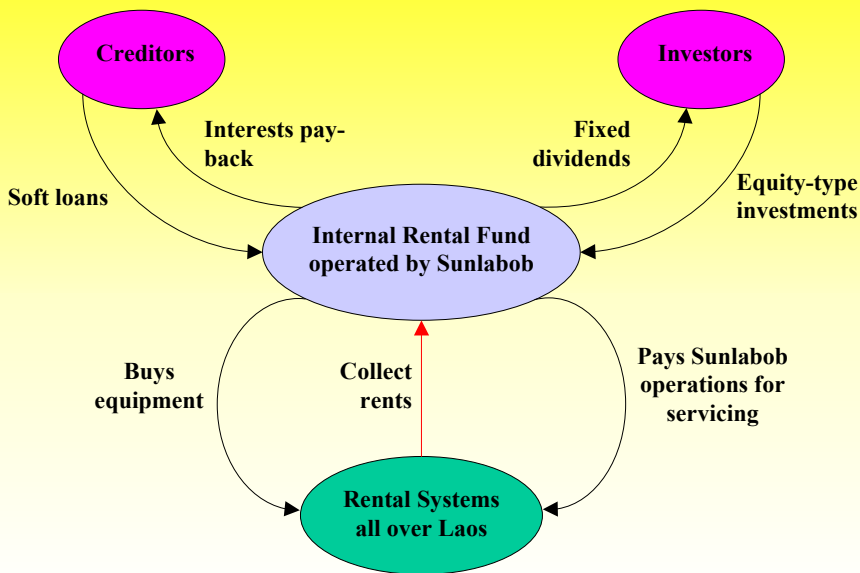


## Financing...

Rental services require a lot of capital that is bound for a long time – too long for normal commercial credits.

**→ A solution for investors is the Rental Fund  
with a long view.**

# Rental Fund Operations



## Sunlabob's Rental System in a nutshell

Due to 03.31.2005 :

- Active in 4 districts in Lao PDR
- 325 SHS in the range between 20-100Wp installed
- Total investment for hardware : \$140.000,00 US
- Monthly revenues : \$1.650,00 US
- 1.200 signed demands
- Investors : 58% Sunlabob, 37% Triodos, 5% private investors

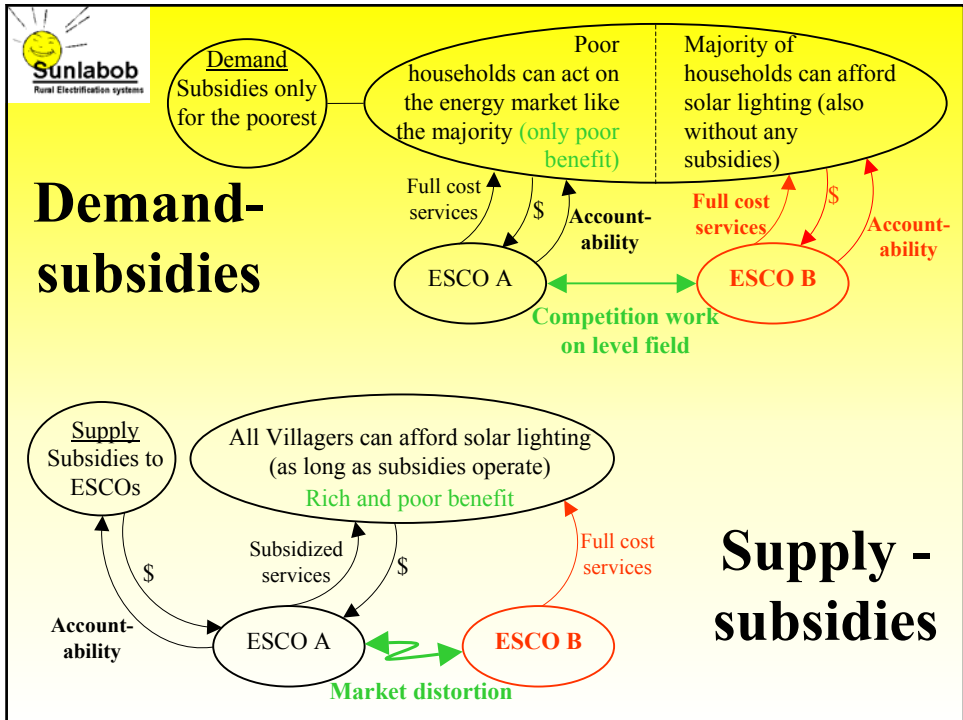
# Outlook

Community Solar Units for public - and productive use on rental base is commercial viable



## „A word on Subsidies“

- Subsidize the poorest so that they can afford cost-covering prices for electricity.
- Avoid subsidizing the prices or the rents



**Sunlabob**  
Rural Electrification systems

## Conclusion

Cost-covering and even profitable solar services are possible in rural Laos, that are affordable to at least half the rural households.

# WHY ?

## A reliable service network with efficient and effective backup



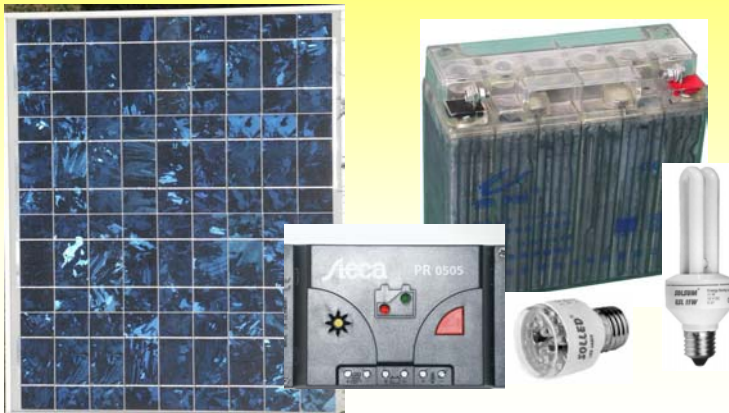
## Village energy committees as partners



## Flexibility for villagers options- Rentals



## Spread of costs over full lifespan of equipment





## Full cost calculation on rents



**Thank you for  
your attention**

