

EXECUTIVE SUMMARY

Griya Solar is a company that is engaged in providing rooftop solar panels with an on grid system, which is a system with its installation network connected to a low-voltage network from PLN (Perusahaan Listrik Negara). This system allows a part of electricity produced during the daytime to be exported (or sold) to the PLN grid while the remaining can be used for electrifying homes. Griya Solar uses a subscription business model for its business.

The reason behind this business idea is that renewable energy is currently being taken into account in the context of providing alternative sources of electrical energy other than the current source, derived from fossil fuels. Indonesia has a large potential for solar power due to its geographic location which lies near the equator line and it causes the availability of solar energy to be relatively higher than the other non-tropical countries. Apart from environmental factors, the installation of rooftop solar power plants has long been known as the solution for PLN customers who want to save their monthly electricity bills. However, since the cost of installing a rooftop solar is quite high, especially in Indonesia, many people are reluctant to use it at their home although it brings many advantages. These factors provide Griya Solar the opportunities in this business by offering a distinctive solution through a subscription business model. The services provided by Griya Solar include providing rooftop solar panels, consultation, dealing with administrative processes with PLN and also installation of solar panels. The payment scheme offered by Griya Solar is the key difference from its competitors, which Griya Solar provides a solution by renting the rooftop solar to the customers, so that they do not need to purchase (and own) them. Customers will only need to pay a relatively affordable upfront fee (initial investment fee) and monthly subscription fee for the rooftop solar they rent from Griya Solar. The target customers for this renting scheme are PLN's customers with installed power starting from 3500 VA and above and are domiciled in the Jabodetabek area.

For the capital needs of this business, Griya Solar has 4 founders who will invest approximately 50 billion IDR. The revenue scheme generated by Griya Solar is a total profit from sales of equipment (excluding rooftop solar), installation fee as well as monthly subscription fee. Based on the analysis of Net Present Value and Internal Rate of Return/Modified Internal Rate of Return, this business is feasible since its NPV is positive for all scenarios and its IRR/MIRR is higher than the cost of capital.