



# FULLY FUNDED SOLAR PV SOLUTIONS FOR CARE HOMES

ENABLING ENERGY COST SAVINGS  
WITH NO UPFRONT INVESTMENT

SPECIALISTS IN MAKING SOLAR AFFORDABLE WITH  
FULLY FUNDED SOLUTIONS FOR NO NET UPFRONT COST



A woman in a dark jacket is assisting an elderly person in a wheelchair. They are in a grassy field with trees in the background under a cloudy sky. The woman is leaning forward, supporting the wheelchair. The elderly person is wearing a light-colored shirt and dark pants. The overall scene is peaceful and suggests care and support.

# FLEXIBLE FUNDING SOLUTIONS FOR SOLAR WITH NO UPFRONT COST

Our flexible financing options are helping care homes to benefit from solar at scale with no upfront costs involved.

1

## Budget friendly

With care homes under so much financial pressure, a solar PV system installed for no upfront cost can unlock big energy cost savings over the lifetime of the system. We've developed flexible funding options so you don't need to invest your capital upfront, instead paying for projects from the savings made on energy bills.

2

## We make it easy

We'll make your options very clear for you to make an informed choice about whether solar and financing is right for your care home. We take care of everything involved all the way up to hand over of your renewable energy system.

3

## Benefits for care homes

With high energy prices and the comparative cost of installing solar lower than ever, there has never been a better time to invest in solar with quick payback periods possible.



Research shows that most people think that decarbonising our built environment is a good idea, until you ask them to pay the bill. Projects are expensive meaning the cost is often unaffordable, so projects that would have saved vast sums of money over the lifetime of the installation don't happen.

It's our mission to help accelerate decarbonisation and help clients save money on energy bills by making projects like solar PV and battery storage more affordable. Our service is designed to enable this type of project for clients so they can realise the long term benefits of solar without any upfront cost.

The benefits case for solar is extremely strong for many buildings so our aim is that by removing the biggest barrier to getting projects done, we can make solar as near to a no-brainer as possible for care homes, an important consideration in an environment of high energy costs and where rising operational costs can put pressure on service delivery.



# WHY WE'VE LAUNCHED SOLAR PV FINANCING

The benefits case that solar PV and battery storage deliver is unparalleled. We're passionate about seeing these technologies adopted at scale so wanted to see a model that leaves no good reason not to proceed. With innovative funding ideas needed for mass adoption and the cost of projects the biggest hurdle to progress, our financing solutions deliver clear tangible benefits. We unlock project potential and vast energy cost savings by enabling project completion with no upfront investment required by care homes.





# SOLAR PV FINANCING OPTIONS FOR THE CARE HOME SECTOR

Our financing solutions take a whole system approach, considering all aspects of the costs required to deliver a project and provide flexible options that enable packages to be built that suit your requirements.

## ASSET FINANCING

A model where the installation is paid for with finance meaning your care home has no upfront investment. The monthly repayments are paid by the care home, can be structured so they align with budgetary cycles and are designed so that the cost of the finance is lower than the energy bill savings, so you're cash positive from year one.

- Flexibility on length of term
- Flexibility on end of term options
- Flexibility of O&M provision

## POWER PURCHASE AGREEMENT (PPA)

A PPA is an agreement whereby a solar project is installed at no cost to the care home which buys the electricity generated on its roof from the developer at a pre-agreed price, below the price paid to the contracted electricity company. These agreements enable care homes to enjoy cut price electricity without having to make the significant investment in a solar system out of the capex budget.

- Zero capex
- Maintenance included
- Benefit from cheaper power from day one and for the long term



# ASSET FINANCE EXPLAINED

Availability of specialist green finance to fund the upfront cost of solar assets is an important tool in making projects affordable and opening up the possibility of long term energy cost reduction without any upfront investment.

100% project funding is available and will usually take the form of a hire purchase agreement or a lease agreement. The one that's best suited to individual care homes will be determined by how the home wishes to account for the repayments, how they

wish to deal with the VAT and how they want the asset to sit on their balance sheet, or not. In the case of using a lease agreement, on completion of the agreement, ownership of the asset can transfer to the care home for a nominal payment.

Using finance to invest in solar will mean a longer payback period than with outright purchase but the project will still deliver magnificent energy cost savings over the lifetime of the system, without the care home having to invest any of its budget up front.

## ILLUSTRATION

Annual electricity consumption: 191,680 kWh

Estimated solar PV array size: 128.1 kWp

Estimated year one PV generation: 127,276 kWh

Consumption met by PV generation: 68%

Current rate: 38p/kWh

Estimated year one CO<sub>2</sub>e avoided: 59,807kg

Average annual bill saving: **£36,917**

Estimated savings over 25 years: **£922,925**

This illustration shows the potential savings made for a care home with 80 bedrooms and an annual energy consumption of 191,680 kWh. The illustration shown is for a hire purchase agreement over 5 years with a VAT deposit of £21,777 meaning the project is achieved for net no upfront cost once the VAT has been reclaimed.

## ILLUSTRATION

Annual electricity consumption: 46,000 kWh

Estimated solar PV array size: 20.16 kWp

Estimated year one PV generation: 21,922 kWh

Consumption met by PV generation: 75.3%

Current rate: 30p/kWh

Estimated year one CO<sub>2</sub>e avoided: 10,297kg

Average annual bill saving: **£4,006**

Estimated savings over 25 years: **£100,149**

This illustration shows the potential savings made for a smaller care home with annual energy consumption of 46,000 kWh. The illustration shown is for a lease agreement over 10 years and excludes the VAT payable.



# POWER PURCHASE AGREEMENTS EXPLAINED

Power purchase agreements are suitable for larger solar PV projects of at least 100 kWp. In the context of care homes, it is possible for groups of homes to join forces and combine their solar systems in order to reach the minimum requirements, therefore enabling them to benefit from this innovative funding model. The more homes that come together in such a scenario, the lower the price of the generated electricity will become for all the homes involved and the greater the savings they will achieve over the lifetime of the solar system.

PPA's tend to be over a period of around 25 years in order to make the scheme economically viable for all parties involved meaning that the care home will contractually benefit from the installation for the long term.

The PPA agreement will be

between a care home(s) and a funder. The funder will pay for the capital cost of the system and the home agrees to buy the generated power at a pre-agreed price. For a care home paying for example 28p/kWh for grid power and getting a PPA price of 17p/kWh, the difference in price for each kWh of power consumed can add up to considerable savings over the lifetime of the system.

It's in everyone's interests for a system installed under a PPA to be fully functioning at all times so operation and maintenance arrangements are included into the agreement. Often, if any roof repairs are required to enable a solar installation, the cost can be added to the cost of the project meaning the enabling works needn't come out of the capex budget and the project can still be achieved with no upfront cost.

## ILLUSTRATION

Annual electricity consumption: 191,680 kWh

Estimated solar PV array size: 128.1 kWp

Estimated year one PV generation: 127,276 kWh

Consumption met by PV generation: 68%

Current rate: 38p/kWh

Assumed PPA rate: 23.3p/kWh

Estimated year one CO<sub>2</sub>e avoided: 59,807kg

Estimated year one bill saving: **£12,660**

Estimated savings over 25 years: **£738,394.**

This illustration shows the potential savings made for an 80 bedroom care home with annual energy consumption of 191,680 kWh. There are many factors that will influence how much your care home could save with a PPA; this illustration is intended to demonstrate the art of the possible for care homes when investing in solar PV with a PPA. The exact structure of a PPA can vary from care home to care home, depending on the exact requirements and risk appetite; agreement lengths can be varied and pricing can be either fixed or inflation linked.



# BENEFITS

Solutions to accelerate adoption of Solar PV and battery storage. Our flexible financing options are helping care homes to benefit from solar with no upfront costs involved.



Reduced energy costs from day one



Flexible funding options



Mitigate rising prices



No upfront costs



Protect against energy inflation



Relieve pressure on budgets



Reduce operating costs



Reduce costs without impacting care quality



Free up cashflow to use elsewhere



# ABOUT OPTIFY

WE ACCELERATE DECARBONISATION WITH INNOVATIVE, LOW RISK FUNDING SOLUTIONS

We're decarbonisation funding experts helping clients in various sectors to make energy efficiency initiatives more affordable by reducing capital expenditure on projects.

Where available, we help clients to leverage grant funding to the fullest extent possible, making energy projects more affordable.

And with our innovative work with finance partners, we offer financing solutions that enable projects with no upfront investment required, paid for out of the benefits realised.



## HOW WE DO THIS IS A THREE STEP PROCESS

1. Optimal solar system design; through our installation partner, we undertake a high level system design with a very clear brief that the system must deliver the best possible mix of on site PV generation and cost to achieve the optimal outcome for the client
2. Optimise funding; through our finance partners, we identify the finance routes that will deliver the most financially attractive project over the lifetime of the system
3. Administer and co-ordinate project; we co-ordinate efforts through installation and finance partners to ensure the objective of optimised cost savings is delivered

Affordability is the biggest hurdle to getting more decarbonisation done. We're passionate about getting more projects done by making them more affordable.



# HOW WE HELP CARE HOMES

WE BRING TOGETHER ALL KEY ELEMENTS OF THE PROJECT TO ENABLE VAST ENERGY COST SAVINGS WITH ZERO UPFRONT COST.

We're passionate about accelerating progress with decarbonising our built environment by finding ways to help clients make decarbonisation and energy efficiency projects more affordable. Considering the significant savings that can be achieved on energy costs with solar PV, the best way of helping care homes is to remove the biggest barrier to installation; the significant upfront cost. Our solutions for care homes see the cost of projects being paid for out of the savings realised by generating renewable power on the roof whilst achieving significant cost savings over the lifetime of the system.

Our role is to enable these projects, unlocking the potential to save money by facilitating and co-ordinating forward thinking funding providers and installation partners fixated on doing the right thing for clients.

We find the optimal solution for your needs to save you the maximum amount of money and get the best return on investment without it costing you anything up front.

## FINANCING

- We'll find the optimal way to install solar for no upfront cost
- We'll focus on maximising your lifetime savings
- Flexible finance to suit your requirements

## INSTALLATION

- Solar system sized for optimal return on investment
- System designed with only your interests in mind
- Long life, high performance solar system







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SPECIALISTS IN DECARBONISATION FUNDING

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