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PROJECTS: Solar power company CleanMax secures \$10mIn facility for Southeast Asia foray - Zawya News

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India-based commercial and industrial (C&I) solar power company CleanMax recently closed a \$10 million facility with the Global Climate Partnership Fund (GCPF) to support its foray into Southeast Asia, starting with Thailand.

In the Middle East, CleanMax has a project portfolio of more than 30 megawatts (MW) with a regional office in Dubai.

In Thailand, the company said it would be implementing a 3.5 MWp rooftop solar project for the industrial facility of a multinational conglomerate.

"The project is at an advanced stage of construction and will be one of the largest rooftop solar projects in Thailand under the Power Purchase Agreement (PPA) model," said Andrew Hines, Co-founder and Chief Commercial Officer, CleanMax in an interview with Zawya.

Under the energy sale or PPA model, the solar plant is owned by the developer, and the commercial/industrial client buys the power on a per-kWh basis.

Hines said global financiers like GCPF could play a significant role in providing debt financing for projects like the one in Thailand.

"A challenge in early-stage rooftop solar markets is that local banks may not be very familiar with such projects, and the loan size for an individual project is well below the threshold a bank would normally look at for an infrastructure project such as a power plant," he explained.

Established by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and KfW Entwicklungsbank as a PPP, GCPF is an investment company under Luxembourg law, providing financing for low-carbon projects in developing economies.

Thailand opportunity

Thailand's large base of creditworthy customers and a mostly untapped C&I solar market presents an excellent opportunity for the company to expand its footprint into Southeast Asia, according to Hines.

"We aim to be a leading player in each market in which we are present, which we have achieved in India, the UAE and now Thailand. So, while other southeast markets have good potential, we are currently focused on deepening our presence in Thailand," he said, adding that the company would adhere to the PPA model for future projects in the country.

In Thailand, said Hines, grid tariffs are relatively high, and solar irradiation is good, meaning that "we can deliver solar power at a significant discount to grid tariff prices, making the proposition very attractive".

"This is in addition to the environmental benefits, which are increasingly important to global corporates in particular," he said.

COVID-19 impact

While COVID-19 presents challenges to every industry, the CleanMax CCO said the pandemic hadn't undermined the long-term impetus for renewable energy, which is based on two factors: first, an increased focus on addressing climate change; and second, the fact that renewable energy now the cheapest form of power generation in much of the world.

Though COVID-19 has upended construction activity everywhere in terms of material delivery and availability of workers, Hines pointed out that "the projects themselves remain very much viable."

And while the pandemic may constitute a short-term hindrance to almost every industry, he argued that it could accelerate the global transition to renewable energy.

"This is primarily because the pandemic has exposed and exacerbated many of the risks in the fossil fuel industry, including oil and gas as well as coal power generation."

He said there is a strong push worldwide on governments to direct post-pandemic stimulus investments towards projects enabling the transition to a sustainable and low-carbon economy.

CleanMax has so far developed and installed more than 600 MW of renewable energy (spread over 500 projects) across Asia, with another 200MW expected to be built over the next 12 months.

"We also look forward to continued growth in several Middle East markets, where we see a combination of corporate demand and government encouragement of renewable energy," concluded Hines.

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#CleanMax #SolarRooftop #ASEAN #Danube #GCPF

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