GREEN PPAS · STEP 02 · SOURCING STRATEGY · REPORT

Sourcing Options Comparison Report

Side-by-side evaluation of captive, group-captive, and third-party OA routes on landed cost, risk, and control, with a recommended structure.

Worked example (anonymised): 60 MW Aggregated Industrial Load — Sourcing Route Evaluation · 60 MW contracted demand across two manufacturing sites (auto-components and textiles) · Karnataka and Maharashtra, India. A multi-site industrial group evaluating a wind-solar hybrid supply against captive equity investment, a pooled group-captive structure with a sister unit, and a pure third-party open-access PPA.

Illustrative sample image

Sample excerpt · Landed Cost & Risk Summary — Illustrative (■/kWh)

Parameter	Captive (26% equity)	Group-Captive (pooled)	Third-Party Open Access
Landed cost (■/kWh, Yr1)	3.35	3.52	3.68
Equity commitment	■42 Cr (26% of project cost)	■18 Cr (pooled share)	Nil
CSS exposure	None (captive exemption)	None (captive exemption)	■0.85–1.10/kWh, escalable
Banking flexibility	Monthly, per state rules	Monthly, shared pool	Monthly, subject to discom discretion
Counterparty risk	Self (developer EPC risk only)	Shared across group entities	Developer credit + discom risk
Balance sheet impact	Capex on-book	Partial on-book	Off-book (opex only)

Notes

- Cost figures are illustrative, based on FY24 tariff and surcharge assumptions
- CSS trajectory modelled per current state tariff order; subject to future escalation
- Recommendation weighted 60% cost, 25% risk, 15% control per client mandate

What happens in this step

1. Map applicable state regulations (open access rules, CSS/wheeling/banking charges, captive consumption norms) for each site under consideration
2. Build landed-cost stacks for captive, group-captive, and third-party OA routes using current and projected tariff, surcharge, and loss assumptions
3. Assess equity/funding implications of the 26% captive consumption threshold and group-captive pooling structures
4. Quantify regulatory and counterparty risk for each route — surcharge escalation, connectivity delays, discom litigation history, developer credit strength
5. Stress-test each option against tariff order changes, banking restrictions, and curtailment scenarios over the contract tenor
6. Score options on a weighted matrix combining cost, risk, control, and balance-sheet treatment
7. Present a recommended sourcing route with supporting sensitivity analysis for management sign-off

Outcomes

- A data-backed sourcing route selection aligned to cost, risk, and balance-sheet objectives
- Clear visibility of the equity/funding commitment required before committing to captive or group-captive structures
- A defensible risk register to support internal governance and board approval
- A shortlisted structure that becomes the basis for the competitive process in Step 03

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