

TWO SIDES OF THE COIN

OPERATIONS & MAINTENANCE AND ASSET MANAGEMENT

It can be quite confusing for companies to see the difference between asset management and O&M of projects. Though these both are related activities, they are two separate sides of a coin. The profits from a project are often locked behind a door which opens only when both these keys are used together.

O&M comprises primarily of activities which are technical in nature, whereas asset management is more about financial and management activities. One helps the power plants to actually perform, run and produce electricity, the other is all about managing the financial performance of the solar PV plant.

O&M and Asset Management are often compared since they play an important role in the maintenance of the PV systems. There is a little similarity between these worlds and it may often be quite difficult to draw a line between the roles and responsibilities of managers involved in these activities.

Asset managers should be technically sound to keep an eye on the O&M activities, and make sure that it is executed properly and have an idea of the technical factors that manipulates the asset performance. Vice versa, an O&M provider must have complete understanding of the financial impact that the operational decisions will make on the performance of the asset.

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Role of Operations and Maintenance

This is a blue collar job – meant for the ones who enjoy getting their hands dirty. They are involved in a set of activities, majority of them are technical involving equipment fixes and replacements, vegetation control, security, managing project breakdowns, cleaning, manpower, grid connectivity etc. This role often sees people who love engineering jobs and are great at managing on-field teams succeed and build great careers.

The idea of managing the PV systems by O&M is a bit different. The operations must maintain a balance between productivity and



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- To increase the revenue by optimization of plant production.
- To decrease the risk for investors and asset owners.
- To protect the asset value and durability.
- To have fulfilment with the regulations.
- To have clearness on plant production, issues, risks and activities.

Role of Asset Management

Moving over to asset management or the white collared job. The asset management mainly consists of the financial, commercial and administrative activities which keeps a check on the project's energy production/generation and transforms it into the desired revenue stream. The asset management activities are mostly carried out in office as opposed to out in the field. This generally includes billing, collections and also distribution to investors, accounting and financial reporting, insurance paperwork and processing. The asset management activities handles a lot of essential paperwork which includes billing, energy production reporting for incentive programs, PPA energy billing and cash payment including those to investors, tax filings and financial audits, warranty and performance guarantees.

Major elements in asset management:

- Asset management mainly aims on adding value to the business.
- The process aligns all the policies, procedures, roles in accordance with the strategic plan of the business.
- A particular asset management policy communicates the business imperatives associated to its physical assets.
- Controls and enabling processes are formed, to complete the asset management objectives.
- Asset Management system makes sure that all the goals are achieved.

Both O&M and asset management are equally important, both roles go hand in hand"

generally should not be handled by the same teams. The earlier companies understand the need and scope of these two services, the faster will they be able to grow their project portfolio.

Interdependence

To manage the PV assets both O&M and asset management are equally important. Both roles go hand in hand with either having limited success in the absence of the other. Each also requires a specific skill set and

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