

RESCO PPA Checklist for Industrial Buyers

A Practical Due-Diligence Guide Before Signing a Solar Power Purchase Agreement

This checklist is designed for industrial and commercial buyers evaluating rooftop or captive solar projects under the RESCO (Renewable Energy Service Company) model. Use this guide to identify technical, commercial, legal, and operational risks before finalizing a Power Purchase Agreement (PPA).

1. Commercial Evaluation

■ Compare current DISCOM tariff vs proposed solar tariff
■ Confirm annual tariff escalation and ceiling clauses
■ Verify minimum billing / minimum generation commitments
■ Check contract tenure (typically 15–25 years)
■ Review exit clauses and early termination penalties
■ Validate projected annual savings and IRR assumptions
■ Ensure open access charges are factored where applicable

2. Technical Due Diligence

■ Assess rooftop structural strength and load capacity
■ Review module technology, inverter brands, and warranties
■ Verify expected CUF / generation assumptions
■ Confirm shadow analysis and energy yield simulation
■ Ensure compliance with CEIG and local electrical standards
■ Check SCADA / monitoring capabilities
■ Confirm system degradation assumptions

3. Legal & Contractual Review

■ Verify land / rooftop ownership and access rights
■ Review PPA clauses for force majeure

- Ensure dispute resolution and arbitration clauses are defined
- Confirm insurance responsibilities
- Validate payment terms and late payment implications
- Check transferability in case of business restructuring
- Ensure lender step-in rights are clearly documented

4. Regulatory & Compliance

- Confirm net-metering or gross-metering eligibility
- Validate DISCOM approvals and timelines
- Review applicable state solar policies
- Check electrical inspector approvals
- Confirm GST implications and invoicing structure
- Assess impact of future policy changes

5. Operations & Maintenance

- Review O&M response time commitments
- Verify module cleaning schedules
- Ensure uptime guarantees are included
- Define spare inventory responsibilities
- Review preventive maintenance schedule
- Confirm reporting frequency and performance analytics

6. Financial Risk Assessment

- Review developer balance sheet and funding capability
- Check track record of executed MW capacity
- Evaluate counterparty risk

- Verify payment security mechanisms
- Assess impact of production shutdowns on energy consumption
- Review refinancing and ownership transfer clauses

Bonus Tip: Before signing a RESCO agreement, ask the developer for at least three operating reference sites with similar load profiles and installation sizes. A site visit often reveals more than the proposal deck.

Need a second opinion on your RESCO PPA?

Use this checklist during vendor discussions and technical-commercial evaluations to reduce risk and improve negotiation outcomes.