



Session 3: 13 General Feasibility Questions:

A renewable energy project makes sense and is feasible when:

1. Natural Resources – wind, water, biomass, and sunlight – are available in predictable and sufficient quantity.
2. The available natural resources can be converted to energy using available proven technology.
3. Contractual rights to use these natural resources (water and biomass) as fuel can be obtained.
4. Land needed for the project can be secured and access to the site assured.
5. All the permits needed to design, build and operate the project can be obtained in a timely manner.
6. The energy produced can be transmitted and sold to one or more credit-worthy customers.
7. The project is compatible with local and country energy plans for energy service delivery.
8. The commercial, political and social setting of the project will instill confidence in suppliers, contractors, investors, lenders and insurers.
9. The project team has sufficient experience and skills to design, build and operate the project or has access to qualified full service (Engineering, Procurement and Construction, EPC) contractors.
10. Qualified suppliers, contractors and consultants are available and have expressed interest in the project.
11. Reasonable estimates have been made of all revenue, capital and operating costs, including contingency allowances and taxes.
12. Project revenues are sufficient to pay operating costs, repay loans and provide adequate returns to investors.
13. There is local or international interest in providing loans and investment capital.