

CAPE MANUFACTURING

Rooftop solar investment - analyst case brief

TO: Junior Commercial Analyst / Trainee Accountant

FROM: Financial Director

SUBJECT: Rooftop PV investment recommendation

Your brief

Cape Manufacturing is a fictional Western Cape industrial producer. Management is considering rooftop solar PV as a capital investment. Three suppliers have submitted proposals. Your task is not to repeat the supplier claims: build an auditable comparison, test a material assumption, and advise management what the evidence supports.

Decision question

Which solar proposal should Cape Manufacturing take forward, and what must management verify before signing a contract?

	Proposal A	Proposal B	Proposal C
Installed capacity	60 kWp	80 kWp	100 kWp
Installed cost	R650 000	R820 000	R990 000
Year-1 generation	92 000 kWh	121 000 kWh	147 000 kWh
Self-consumption	90%	85%	78%
Year-1 maintenance	R9 000	R11 000	R14 000

Case assumptions

Electricity tariff: R2.80/kWh; tariff escalation: 6% p.a.; discount rate: 10%; PV degradation: 0.5% p.a.; maintenance escalation: 5% p.a. These are teaching-case assumptions, not forecasts. VAT, tax, financing and feed-in revenue are outside this simplified model.

Your deliverable

Prepare a recommendation of no more than 100 words to the Financial Director.

Your recommendation must:

1. Select one proposal.
2. Use at least two quantified results from your spreadsheet.
3. State one material commercial trade-off.
4. Identify one operational assumption that must be verified before contract signature.

Professional scepticism

Supplier C also claims that its panels have a lower lifecycle environmental impact, but provides no independently verified evidence. Identify what evidence you would request before allowing that claim to influence the decision.

What management expects

A transparent model; traceable assumptions; evidence rather than assertion; a clear distinction between what is known and what remains uncertain; and a concise recommendation that management can act on.

Learning journey

UNDERSTAND -> BUILD -> TEST -> DECIDE -> REFLECT

All amounts are South African rand. This is a fictional educational case and should not be used for an actual investment decision.