FAQs for Business Customers

The basics

Does Smart Ease offer payment solutions for residential projects?

No. Smart Ease is a dedicated commercial funder, which means we only offer payment solutions for organisations such as businesses, schools and other organisations, including not-for-profit.

Which equipment, technologies and services do Smart Ease payment solutions cover?

Smart Ease specialises in funding smart and energy-efficiency technologies, equipment and related professional services.

This includes solar and storage, EV charging, water heating and purification, heat pumps, efficient lighting, voltage optimisation and power factor, chillers, boilers and HVAC, power generators, communications equipment, AV and multimedia systems, security and monitoring systems, and building automation.

What are the advantages to funding my equipment with Smart Ease instead of my bank?

Smart Ease offers competitive rates, a simple online four-minute application process and significantly faster approvals than banks do. As a specialty funder, we assess applications using different criteria from the banks, and we use technology to enable fast decisioning. Checks and balances are built into our digitised platform, which means we can approve applications faster.

How much do I need to pay upfront?

There are no upfront costs associated with any Smart Ease payment solutions. Your costs are split across the duration of your Payment Plan and are typically payable monthly.

What is the duration of a Payment Plan?

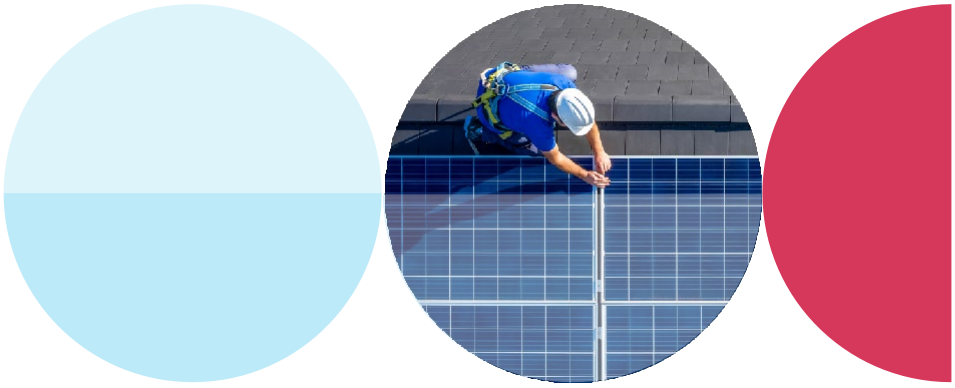
You can choose the length of time that suits your business based on the monthly instalments.

- For energy agreements, Smart Ease Payment Plans are typically 2-10 years.
- For smart equipment and technologies, Payment Plans are up to 5 years.

Will the monthly Payment Plan instalment amount change over time?

No. Once equipment is installed and settlement occurs, your payments are locked in for the term of the Payment Plan. Interest-rate rises will not affect the monthly instalment amount.

There are also no additional documentation fees or hidden charges.



Our payment solutions

Payment Plans

Which payment solution is right for me?

Choosing the right payment solution depends on a few factors including:

- the type of equipment
- how you want to manage your payments, and
- what works best from a tax perspective for your business.

We offer two types of **Payment Plans** – Rental and Hire Purchase Agreement. These typically suit customers who don't want to pay upfront, preferring to pay in manageable monthly instalments over a term (from 2-10 years).

For solar and storage projects only, customers also have the option of an onsite **Power Purchase Agreement** (PPA).

What's the difference between a Rental Payment Plan and a Hire Purchase Agreement Payment Plan?

The main differences lie in who owns the system and how the purchase is treated for tax purposes.

With a Rental, Smart Ease owns the equipment for the duration of the Payment Plan. You can offer to buy it at the end of the term. This is typically a fully tax-deductible operating expense.

With a Hire Purchase Agreement, your business owns the equipment. You may be able to claim the interest and depreciation on the equipment as a tax-deductible expense.^

Why choose a Payment Plan over a PPA?

Smaller businesses (i.e. those that need a 70kW system or smaller), businesses that use electricity mostly outside daylight hours, or businesses that have peaky and inconsistent loads are better suited to a Payment Plan than a PPA.

Examples of businesses that may find a Payment Plan better than a PPA for their needs include businesses operating at night, seasonal businesses (such as fruit-picking) and production-run businesses (e.g. printer).

Power Purchase Agreement (PPA)

What kind of business does an onsite PPA work well for?

Onsite solar PPAs are ideal for larger businesses that operate during daylight hours and that typically require big or complex systems. They are suited to both building owners and tenants.

A PPA best suits businesses that:

- require solar systems sized over 70kW
- have minimum monthly power bills of £2,000 or more
- have consistent loads, and
- prefer to outsource the maintenance and upkeep of the system.

PPAs are typically in place for 7-30 years, so they are best suited to businesses that are well established. Examples include shopping centres, schools, cold-storage facilities, distribution centres, supermarkets and agricultural businesses.

Why choose a PPA over a Payment Plan?

If you'd like to cut your energy costs without the responsibility of owning and maintaining a large solar system, an onsite PPA could be the best option for you. Unlike other PPAs that only suit owners, the Smart Ease PPA is suitable for both tenants and owners.

PPAs suit large business that operate mainly during daylight hours, have high energy needs and prefer a fully serviced solution. You'll get accurate sustainability data for reporting, and upgrades to your equipment as technology improves.

How does an onsite PPA work?

Once you confirm your solar project and sign your PPA, your solar system will be installed at no upfront cost to you. You then buy the power generated by the solar panels at an agreed low rate (approx. £0.09-£0.15/kWh) for the duration of your PPA.

Your PPA provider takes care of all repairs, maintenance and insurance. All you have to do is continue buying energy from your provider at a lower rate than you would from the grid!

Benefits of payment solutions

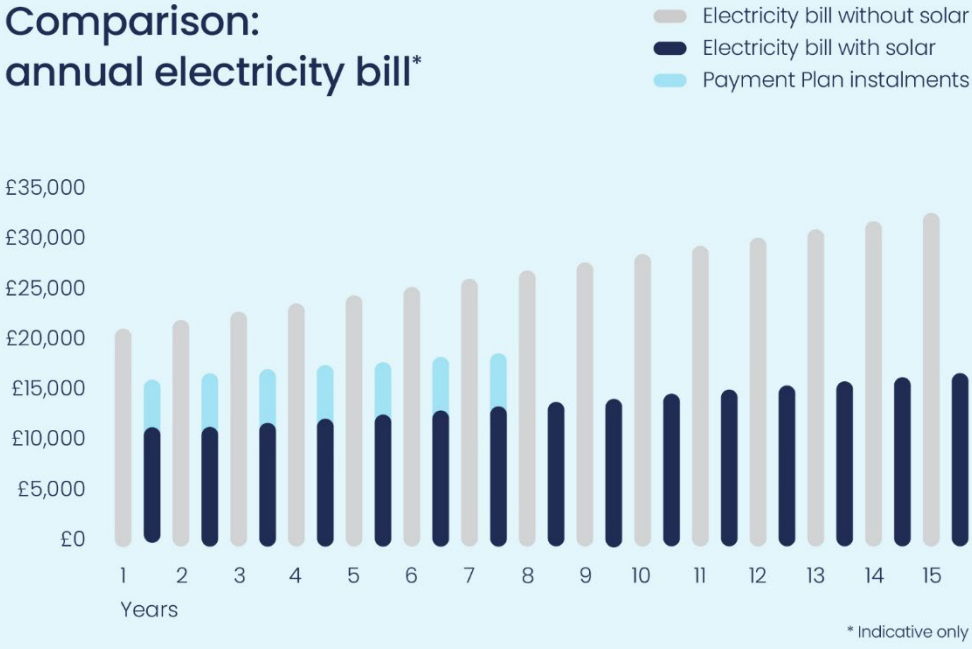
What are the business benefits of paying for equipment using a payment solution?

Smart Ease payment solutions enable businesses to get equipment without tying up capital. Pay nothing upfront and instead pay manageable monthly instalments (which helps with cash flow).

Specific benefits vary according to the payment solution, but all include freeing up capital so you can direct it towards other growth or business opportunities. Put your new equipment to work immediately while deploying your capital elsewhere.

How can installing solar and energy-efficiency equipment using payment solutions be a cash-flow positive investment?

If you're investing in solar or energy-efficiency equipment, your electricity costs will be lower as soon as your system is install – often by up to 60%.^ The savings on your electricity bill are typically greater than the Payment Plan instalments, which makes the purchase cash-flow positive.



Getting started

Can I write off my smart, solar and energy-efficiency equipment as a tax deduction?

Depending on the payment solution you select, your equipment may be a fully tax-deductible operating expense, or you may be able to claim interest and depreciation expenses at tax time.

For businesses on a solar PPA, electricity used and paid for may be able to be claimed as a tax-deductible expense.

Always speak to your accountant to determine how tax benefits apply to your specific situation.

How quickly can we apply and get approved for a Smart Ease Payment Plan?

Applications and approval for Smart Ease Payment Plans is fast and easy. You can apply online in just four minutes and, in most cases, get instant conditional approval for a Payment Plan valued up to £100K with no financials.*

Once you've signed the Payment Plan agreement, formal approval typically takes place in as little as five-minutes (but can take up to 24 hours). For Payment Plans more than £100K, formal approval is usually between 24 and 48 hours.

What's the process for getting equipment on a Payment Plan?

It's a simple four-step process.

First, complete our simple online form to apply and sign, and receive instant conditional approval for a Payment Plan up to £100K.[1] Next, sign your Payment Plan agreement and the project is formally approved.

Your equipment will now be supplied and/or installed. Smart Ease will pay the supplier up to the agreed amount within 24-48 hours.

Finally, pay your Smart Ease monthly instalments for the term of your Payment Plan. For Rental Payment Plans, you'll have the option to buy the equipment outright at the end of the term.

What's the process of approval for a PPA?

For PPAs, conditional approval can happen within minutes. Once additional information such as interval data is provided, formal approval can occur typically within 48 hours.

Other considerations

What is an Internal Rate of Return? How does this apply to my Payment Plan purchase?

The internal rate of return (IRR) is a tool used in financial analysis to estimate the profitability of potential investments. It defines the amount of profit your business will gain by investing in a project or equipment as a percentage. For example, an IRR of 12% means you'll make a profit of 12% per year on any funds invested in the project.

An IRR example for solar panel installation by Solar Choice[2] found that the IRR for commercial solar systems up to 100kW in size ranged between 24% and 37%. By comparison, the average IRR for commercial real-estate investment is 15%-20%.

It's often harder to determine the IRR for smart tech. Cost-savings to consider are:

- savings on the repairs and troubleshooting of outdated technology
- reducing or eliminating fees for consultants and/or equipment hire, and
- avoiding lost productivity due to inefficient tools.

What is the typical payback period for solar and energy-efficiency equipment?

Payback period (PBP) is the time in years which it takes for the cash flow from a particular project to cover the initial investment. The shorter the payback period, the better.

All solar and energy-efficiency investments will experience a different PBP when the full cost of the system is paid upfront, depending on the size of the system and the percentage of required energy it's able to cover. For a typical commercial system, the average PBP is around 4-5 years.

However, with a Smart Ease Payment Plan, there is no PBP, because you're not investing anything initially. Your investment takes place over the duration of your Payment Plan, and in the case of solar equipment, it is often wholly funded by the savings you make on energy bills.

Can my business transfer a Payment Plan or PPA to another entity?

We understand that circumstances change. If you sell or otherwise move on from your business or premises, you may be able to novate your Payment Plan agreement to another party (subject to a fee[3] and credit approval of the new entity).

What happens if we need to terminate the agreement early?

All of our agreements are fixed-price contracts, i.e. a contractual agreement with a predetermined value for the goods or services provided. If you need to terminate your agreement early, please contact us to provide an early-termination payout figure.

* No financials or landlord waivers are required for transactions of less than £100,000. All applications to Energy Lease Pty. Ltd. trading as Smart Ease are subject to normal approval criteria, and terms and conditions apply.

^ The information in this flyer is not an expression of opinion or recommendation and does not constitute financial, accounting, taxation, general or personal advice and should not be relied upon as such. Savings are indicative only and depend on several factors. Your solar specialist can discuss this with you. Energy Lease Pty. Ltd. trading as Smart Ease accepts no liability or responsibility for any actions or inactions from third parties, including but not limited to equipment suppliers and installers.

[1] Subject to holding a CRN for 2+ years and other credit criteria and approval.

[2] https://www.solarchoice.net.au/blog/commercial-solar-power-payback-periods/

[3] £500 plus VAT at the time of publication; subject to change.