

# Thermal power will continue to meet India's energy needs

It's unlikely that renewables will wipe out the need for fossil fuel-based plants, say experts

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**W**hile renewables will take over a larger share of the burden of power generation in India over the next few decades, it is unlikely that wind and solar power will wipe out the need for fossil fuel-based power generation. At *Mint's* Pivot or Perish webinar on the energy sector on Thursday, industry experts said thermal power will continue to meet India's baseload power needs for the foreseeable future.

"The debates have shifted the point of views, have moved from whether we should have renewables or not in the energy mix," said Vandana Hari, founder and CEO of Vanda Insights Pte Ltd, a commodity market analysis firm.

"First of all, energy transition in countries like India, where there is huge dependency on oil imports, the energy basket has to be diversified. Also, when it comes to energy security, the more renewables you have in your mix, the better off you are. The debate is not whether renewable energy ought to be in the mix," she said.

"The progress in technology and subsequent drop in costs has delighted countries pushing their renewable power base. At the same time, electricity consumption is on a steep upward climb, and we know it will continue rising. But what the headlines miss is that renewables are growing from a small base," she said.

"Countries should have as much renewable energy as possible, but it cannot be your base power supply. We should dispel the myth that we can accelerate the world's move into



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renewables, that we can go from dependence from coal, hydroelectric and nuclear into only renewables," she said.

"The good thing in renewables is that it has come on board very quickly," said Ashish Khanna, president - renewables at Tata Power Ltd. "The not-so-good part is that it has become a coal versus renewable debate instead of coal aligned with renewables."

"I think both (energy sources) are required. Current technology is not sufficient for an infirm power like renewables to be sustainable 24x7 but I still believe that in my lifetime, I hope to see fully clean sources of energy."

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clock power, renewables have been coupled with sources like coal.

"We have to invest more in the grid so that it can manage a higher share of renewables," Khanna said. "If we use gas instead, we will be on a clean energy trajectory."

Ashwani Dudeja, country head, Shell Energy, concurred. "We need a complementary source of power for renewables and gas is a flexible source of generation, in that gas-based power is more competitive than storage at current prices and can provide a neat solution for round-the-clock power. Right now, many (developers) are choosing to go with hydel and coal rather than gas. As penetration of renewables increases

from the current 10% to 12-14% in the energy mix, there will be grid-balancing issues, like we are already seeing in some southern states. India has 24GW of stranded natural gas-based power capacity. Given the current LNG prices, there is need for a solar-natural gas hybrid policy," he said.

B. Anand, chief executive of Nayara Energy, said that the government should step up its policymaking efforts in natural gas. "We already have plentiful mothballed gas plants. Today, given the prices on gas, it makes it compelling to look at gas as a medium. We have the demand and there are pockets of supply that exist. India should continue to remain long on gas," he said.

## POWERING THE INDIA GROWTH STORY

Gas-based power is more complementary compared to storage as of now and can provide a solution for round-the-clock power.

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COUNTRY HEAD, SHELL ENERGY INDIA

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