

Despite tariff concerns, Tata Power to grow renewable energy biz

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Even as solar and wind power tariffs are yet to settle at sustainable levels Tata Power is looking to scale up its renewable energy capacity five-fold in the next two years.

“Tata Power is looking to scale up its renewable energy capacity in the next two years. We can grow this business three-four times in the next five years, as we have the capability and the know how for both hardware (solar panels) and software. We can be a game changer in this,” Praveer Sinha, MD and CEO, Tata Power told *BusinessLine*.

Currently, Tata Power has around 3,417 MW in clean energy capacity and has committed to invest \$1 billion in renewables.

The company is also using technology to gain an upper hand in this business. For ex-



Praveer Sinha, MD and CEO, Tata Power

ample, it is using drones to monitor solar panels which gives it real-time assessment of the power network. Typically, solar panels array need manual inspection to check every panel, measuring data, recording and rectifying errors. This process can take several days, depending on the scale of implementation. Drones are used to simplify this process.

“The entire business of ours is transitioning into a

knowledge business. So, from optimising better sourcing of coal to helping our traditional power distribution business to rectifying faults quickly, technology is becoming a mainstay of our business,” Sinha said.

Another example: “In Delhi, we manage 74 grids where 500 people were working in three shifts. Now that is completely automated,” he said.

Tata Power is also working on a system where users can get message on their power consumption patterns and based on their usage (during peak or non peak hours) they can get tailored rates. If you have consumed more power this month, then an alert will be generated. All this has to happen in a real-time basis, noted Sinha.

Tata Power is also planning to offer the technology-based services to other States. “We can give the entire billing

solution to other States and it can be centralised,” said Sinha. Very few States have developed the technology that we are using and in many cases don't know how to use the technology, he added.

These efforts have shown some results. Consolidated Profit after Tax in FY18 was ₹2,679 crore compared to ₹1,100 crore in the previous year.

These efforts by Tata Power are coming at a time when distribution companies are facing tariff uncertainties. From August, the power ministry has issued a directive to issue Letters of Credit (LCs) equivalent to their monthly power-purchase bills. This was issued in the backdrop of rising dues that discoms owe to generation companies, which are not getting paid on time for the electricity supplied, despite standing long-term PPAs.