

'Tata Power to increase share of non-fossil fuel energy to 40%'

Tata Power has reiterated its commitment to produce clean energy by increasing the share of non-fossil fuel energy to 30-40% by 2025, up from its earlier target of 25%. MD-cum-CEO Anil Sardana talks about about the company's existing operations and future plans in an email chat with TOI's B Sridhar

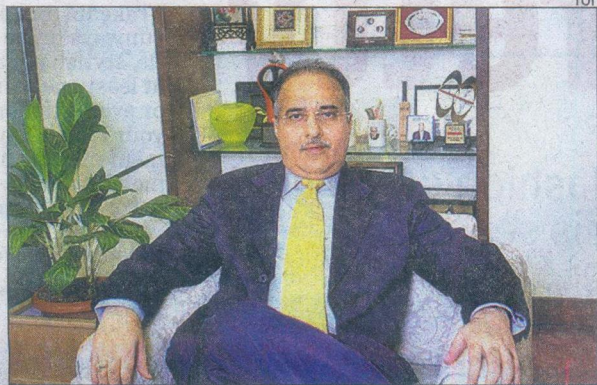
● **What is the current installed capacity of Tata Power in India and abroad in both fossil fuel and renewable energy? Where do you see it going in the next four to five years?**

Tata Power, together with its subsidiaries and jointly controlled entities, has an installed gross generation capacity of 9184MW. The company has operating wind capacity of 647MW spread across six states. Further, TPREL (Tata Power Renewable Energy Ltd) has an additional 500MW of wind and solar capacity under development in Gujarat, Andhra Pradesh, MP, Karnataka and Telangana.

The company aims to have a 30-40% contribution from 'clean power sources' by 2022. For the next three years, the company has sketched out a capex of roughly 2,500 crores per annum.

● **The power sector, which was like a darling to every entrepreneur, seems to have lost its sheen? Do you see things getting back to normal as the regulatory environment gets better?**

The power sector has undergone a host of reforms and this year has been quite eventful. We are happy that the government, in tune with the criticality of this sector, is addressing areas that need attention. So the business confidence of the sector has improved. This will help bring in more private investment and also help the government achieve its goal of 'Power for All'. Innovative schemes like dollar-denominated tariff, fund raising through Green Bonds, revision of Standard Bidding document, UDAY scheme for distribution are some of the enabling policies that have ushered the investment confidence of the sector. More-



over, the amendments to the Electricity Act will hopefully give the much-needed impetus to the distribution sector.

● **There has been a buzz about the renewable energy segment, lately. But developers are hardly talking about new fossil fuel-based projects? Do you see this changing as fuel arrangements are made?**

We foresee an increase of renewable energy in the fuel mix in the near future. The renewable energy sector has shown tremendous growth over the last five years. With a meagre installed capacity of 17,174MW in June 2010, the capacity more than doubled in 2016. This is largely attributed to the steady addition of the wind power capacity. Additionally, the national missions like the JNNSM (Jawahar Lal Nehru National Solar Mission) has given a boost to solar power in India. Renewable energy is also going to play a big role in the coming years with the government announcing the target of 'Power for All' by 2019.

● **You have had an acquisition-lead growth in the past? With a number of power assets under stress and going for SDR, are you looking at acquisitions?**

The company continues to evaluate all possible opportunities through both organic and inorganic development. We are committed to maximizing long-term shareholder value for our stakeholders. Our recent acquisitions have been Welspun Renewables Energy Pvt Ltd and Indo Rama Renewables Jath Limited, (IRRJL). We are constantly looking for

new and exciting opportunities.

● **What was the thought behind carving out TPREL. Will it become a separate company down the line?**

The company continuously evaluates various structures for its businesses to deliver better value to its shareholders by unlocking and enhancing operational synergies. Towards this objective, the board of directors of the company approved a scheme of arrangement of the company's renewable assets portfolio of wind, solar and production gases by consolidating them under the renewable arm TPREL, which is a wholly-owned subsidiary of the company. The aim is to create a focused clean and renewable energy business in TPREL with its own growth trajectory.

● **What is the existing production capacity of Jojobera thermal plant (in Jamshehpur) and plans of augmenting the production capacity?**

The installed capacity of Jojobera plant is 547.5MW. With installed state-of-the-art technology that ensures optimal production, the company has always strived to achieve operational excellence in all aspects of business.

● **Your final comments...**

Implementation under UDAY needs to be executed in the manner that it has been conceptualised. The key part of this scheme is how the state electricity boards will, within the assigned time, reduce their AT&C losses, ensure that the delivery of power will happen as it ought to happen.