

Interview with Anil Sardana

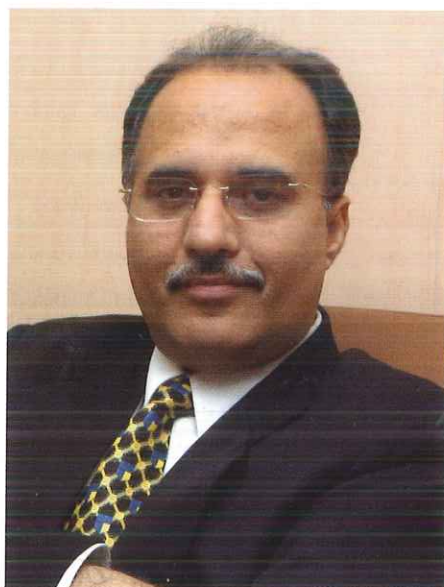
“Compensatory tariff for the Mundra UMPP is a welcome step”

Tata Power Company Limited is the country's largest integrated power utility with an installed generation capacity of 8,521 MW. Almost 50 per cent of this capacity is concentrated in Gujarat. The country's first ultra mega power project (UMPP) was commissioned at Mundra by the company in record time despite fuel supply challenges. The Central Electricity Regulatory Commission's (CERC) recent order allowing a compensatory tariff for the project comes as a breather for the company. In addition to operating its projects efficiently, Tata Power is focusing on community development in project areas. Anil Sardana, managing director, Tata Power, spoke to *Gujarat Infrastructure* about the company's operations in the state, the impact of the CERC order and the policy environment in the state. Excerpts...

What is the scope of Tata Power's operations in Gujarat?

Tata Power has three operational power projects in Gujarat – the 4,000 MW Mundra UMPP, the 25 MW Mithapur solar photovoltaic (PV) project and the 50.4 MW Samana wind power project. The Mundra UMPP is India's first 4,000 MW coal-based power plant based on supercritical technology. The project was completed in a record time of one year from the date of commissioning of the first 800 MW unit in March 2012. The average time gap between the synchronisation of two units has been three and a half months, which is better than the baseline schedule of four months and the power purchase agreement-defined (PPA) schedule of five months.

The UMPP marks the entry in India of 800 MW supercritical boiler technology, which is environment friendly and efficient. The technology and the choice of unit sizes will help save fuel and reduce greenhouse gas emissions as compared to regular coal-fired power stations. In addition, low-sulphur coal is used for power generation. The project produces about 750 grams of carbon dioxide per kWh as compared to the national average of 1,259 grams of carbon dioxide per kWh and the world average of 919 grams of carbon dioxide per kWh. The plant will emit 23.4 million tonnes (mt) of carbon dioxide per year, which is significantly lower than the 27 mt emitted by



a conventional plant of similar capacity. As compared to any other subcritical power plant in India, the project will avoid the consumption of 1.7 mt of coal per year, thus averting carbon emissions of 3.6 mt annually. The plant efficiency level is 42 per cent.

The total electricity generation from the plant till March 31, 2013 was around 12,440 MUs. The UMPP will generate over 26,000 MUs of electricity annually and power will be supplied to Gujarat, Rajasthan, Haryana, Punjab and Maharashtra.

Tata Power commissioned the Mithapur solar PV project in January 2012. The total

electricity generation from the project has crossed 43,000 MWh. Tata Power Renewable Energy Limited, a wholly owned subsidiary of Tata Power, has signed a PPA with Gujarat Urja Vikas Nigam Limited for supplying power from the project. The plant uses proven crystalline silicon PV technology to maximise power generation and helps in reducing 37,696 tonnes of carbon dioxide emissions annually. It generates about 39,597 MWh of clean energy per year. The project was recently registered under the clean development mechanism (CDM) of the United Nations Framework Convention on Climate Change, which will allow the company to trade in certified emission reductions.

The Samana wind power project, which was commissioned in May 2009, uses 63 wind turbine generators of 800 kW each. The project helps in reducing about 96,821 tonnes of carbon dioxide emissions annually. It generates 104,970 MWh of clean energy per year and is Tata Power's third project to be registered under the CDM.

What are your views on the CERC's recent order related to the Mundra UMPP?

The CERC's decision to allow a compensatory tariff for the Mundra UMPP till the fuel situation stabilises is a welcome step. The compensatory tariff will be finalised by a committee set up as per the CERC's directive. The decision is

an important step that will help resolve the major challenges faced by imported coal-based power projects which have been impacted by factors that are beyond the control of developers. Coastal Gujarat Power Limited (CGPL), Tata Power's subsidiary, has been operating the Mundra UMPP at full capacity and supplying power across the five beneficiary states despite financial challenges. CGPL will continue to honour its commitment of ensuring energy security and hope for speedy resolution of issues.

What are some of the community development initiatives taken by Tata Power in Gujarat?

In line with its philosophy of improving the quality of life around its projects, Tata Power has taken various initiatives at Mundra. A strategy has been followed for the identification and grouping of stakeholders for phased stakeholder interaction. Initiatives taken by the company for the community and the environment include timely health check-ups, support for animal husbandry and education, provision of need-based livelihood, infrastructure development through the provision of solar lighting solutions and roads, water supply and sanitation improvement, etc. Some of the key such projects are:

- Project Sujaan – The project is aimed at formalising the education system through computer literacy. It has been successful in educating more than 900 students in Mundra, Kutch. Under the project, learning stations were set up in villages for providing training in technology, hardware and software design, and cognitive ability to students. Project Sujaan has made a significant contribution to improving elementary education.
- Project Uttkarsh – It is a holistic community development programme which entails the provision of safe drinking water by installing reverse osmosis plants; rural energy and water management through the construction of check dams; creation of Adarsh Anganwadi; establishment of milk collection centres; and activities related to farming and drip irrigation.

- Project Gaushala – Under this initiative, CGPL has provided an innovative and replicable model by establishing fodder supply centres and building animal shelters in two panchayats. The animal shelters are spread across 13 acres of CGPL land with two fodder storage sheds, five cattle sheds and cattle troughs.
- Project SwachJal – The project is aimed at meeting the need for safe and clean drinking water in villages. The primary objective is to provide clean and safe drinking water to residents who have to travel long distances to access safe drinking water.
- Project Surya Prakash – Under this project, CGPL installed boat lights at Modhva, a fishermen's hamlet. The target is to cover 65 boats.
- Project ShikshaSarathi – Under this project, the company focuses on providing educational support for children.
- Self-help groups – This initiative provides support to 227 women through microfinance and health management.

Tata Power will continue to meet the needs of communities and improve their quality of life. The company is also working in partnership with non-governmental organisations, and state and central bodies, which have helped it to widen the reach and leverage each partner's expertise.

The company's future initiatives include setting up of institutions with market linkages and building a strong brand to benefit local artisans and ensure sustainable livelihood for fishermen. A beginning has been made in

“Increasing power generation capacity along with the growing share of renewables in the energy mix has made Gujarat a key investment destination.”

this direction through programmes like Sagarbandhu and ShikshaSarathi, which enable rural youth to develop the life skills required for employment through vocational training programmes.

What are the company's future plans?

Tata Power is evaluating opportunities to increase its presence in the global conventional and renewable energy markets. The company has deployed resources in various regions to understand market dynamics and scout for opportunities.

What are the key investment drivers in Gujarat?

Tata Power is thankful to the state government for its support in the establishment of various plants in the state. Despite being power surplus, Gujarat is looking at large-scale renewable energy development. As per the Gujarat Energy Development Agency, the state has significant renewable energy potential. Gujarat was the first state to notify a wind energy policy in 1993 and a solar policy in 2009. Moreover, Asia's largest solar park, at Charanka in Mehsana, was inaugurated in April 2012.

Increasing power generation capacity along with the growing share of renewables in the energy mix has made Gujarat a key investment destination. In addition, the state has introduced an innovative single-window clearance mechanism to simplify the administrative procedures for the establishment of industries. The Industrial Extension Bureau (iNDEXTb), a state government-operated organisation, is a one-stop shop for setting up businesses in Gujarat. iNDEXTb serves as the main point of contact for applicants to streamline the related processes.

What is your policy wish list to encourage investments in the state?

Gujarat is one of the most progressive states in the country and has done well due to the presence of a supportive policy framework. We hope the momentum will continue to support the growth of the state. ▀