

Tata Power plan to gener

Anil Sardana, Managing Director of Tata Power, in a conversation with *Bureaucracy Today* discusses the aggressive plans of generating 26,000 MW of power by 2020.

By Shalini Singh

Tata Power has recently reported a strong profit from its operations and a robust growth in revenue on a consolidated and standalone basis in the first quarter of the financial year 2013-14. Commenting on the company's performance, Anil Sardana, Managing Director of Tata Power, says, "The company reported a 29 percent revenue growth with our consolidated revenue of Rs 9,339.49 crore. Our Standalone revenue was reported at Rs 2,607.51 crore, up by 14 percent. We continue to expand our international presence by entering new markets like that of Vietnam with the 1,200 MW-long Phu thermal power project and of Europe with a hydro project in Georgia."

The company is in the process of developing one of its largest photovoltaic-based solar power plants with an installed capacity of 28.8 MW in the Satara district of Maharashtra. "The latest state-of-the-art technology in photovoltaic based solar generation will be utilised for the plant. Tata Power Distribution, the distribution arm of Tata Power, has signed an agreement for a 25-year term in order to purchase power from this solar plant, thereby meeting its solar renewable purchase obligations. The power generated will be evacuated through the Maharashtra State Electricity Transmission's network. The company has the major purchase orders for EPC in place and intends to commission the entire project capacity by December 2013," says Sardana.

When *Bureaucracy Today* asks about the total renewable energy capacity envisaged by Tata Power in the next five years, the MD replies, "Tata Power has aggressive plans of generat-



ANIL SARDANA, Managing Director, Tata Power

ing 26,000 MW of power by 2020, and intends to have a 20-25% contribution through a mix of clean energy sources that would include hydro, solar, wind, geo-thermal, and waste-gas generation. The company has a dedicated team that looks for opportunities in renewable energy projects and clean technology development. Presently, Tata Power has an installed capacity of 1,106 MW from clean energy sources."

Tata Power's Renewable Energy Projects are as follows:

Wind power: The company is one of the leading wind power generators in India with an installed capacity of 397 MW. It is developing wind power projects of over 160 MW in India, of which 80 MW is proposed to be commissioned during FY14 across Maharashtra (30 MW) and Rajasthan (50 MW).

Solar power: The company's existing solar capacity is 28+ MW and it in

the process of acquiring land in the States of Maharashtra, Rajasthan, Gujarat and Karnataka to develop solar projects. Tata Power has four of its renewable energy projects registered under the Clean Development Mechanism (CDM) programme of the United Nations Framework Convention on Climate Change (UNFCCC). These projects include the 50.4 MW Gadag project, the 50.4 MW Wind project at Khandke, and the 50.4 MW Wind project at Samana in Maharashtra. The fourth one is the 25 MW Solar project at Mithapur, Gujarat.

Sardana joined Tata Power in 2002, and was the youngest CEO at 42. Confidently speaking about the growth plan of his company, the MD says, "Tata Power is India's largest integrated power utility with business presence across the power value chain. We will continue to pursue avenues to add 'clean and renewable energy' generation capacities to increase the renew-

ate 26,000 MW by 2020

Today speaks about the company's significant international presence and its

able energy portfolio wherever possible. We aim to generate 4,000 MW of distribution network management and securitise its operations with 50 mtpa of fuel resources by 2020."

Tata Power has prioritized four key regions for international play which includes the African Region, the South-East Asian Region, the Middle East Region and the SAARC Region. "We have deployed resources in these regional geographies to understand the market dynamics and scout for opportunities. Tata Power through its subsidiary, Tata Power International Pte Ltd, recently signed an agreement with Clean Energy Invest AS (Clean Energy) and IFC InfraVentures (IFC) for developing hydro projects in Georgia for the sale of power primarily to Turkey. The shortlisting of these regions has been done based on aspects like Opportunities, Risks, Likely Rewards, Law and order situation and Ethics-cum-Values prevalent in these geographies," says the MD

The recent announcement by the Cabinet Committee on Economic Affairs (CCEA) to allow fuel cost pass through "is a welcome move for industry. However, this order is only limited to domestic coal-based plants that were dependent on imports to meet the domestic coal shortfall, wherein it replaces the earlier planned price-pooling mechanism," says Sardana

However, he believes that the "Government needs to help expedite decision on a similar mechanism for the imported coal-based projects, which have been impacted due to extraneous factors well beyond the control of developers. This is essential for the sector to use its imported coal-based assets effectively and competitively for them to contribute to the national economy.

Tata Power, like any other utility, hopes that all power projects in India would be supplied coal at the same price so that there is no differentiation that gets created on account of fuel price and all the differentiation that ultimately surfaces is on account of efficiency of operations and tolling of fuel."

He further says, "Similarly the Government's plan to restructure the huge debt of electricity distribution companies would help improve the financial health of discoms. However, this is more of a stopgap arrangement. The objective of improving the health of the ailing electricity distribution sector will be achieved only when restructuring is supported by faster reforms of the sector across the country. The Ultra Mega Power Projects (UMPP) scheme initiated by the Government has the potential to herald an era of energy efficiency and economies of scale. Of the 12 proposed UMPPs of 4000 MW capacity each, four have been awarded,

including Tata Power's Mundra UMPP in Gujarat."

Talking about the key issues currently plaguing the power sector, Sardana articulates, "The power sector is struggling with a number of factors like the fuel supply shortage, the unprecedented hike of coal prices in the international market and the dismal financial health of the distribution sector. Despite grappling with challenges, the level of determination exhibited by the private sector to contribute to the growth of the sector must be appreciated. Energy is the engine that drives the economy and it is in the interest of the country's economic development that the sector is given its due importance. There is a need for concerted effort by all the stakeholders towards the mitigation of some of the key obstacles hindering the growth of the sector."

Nevertheless the Government has taken a number of affirmative actions to address some of the challenges in the sector. Still the MD says that "there is an urgent need of paying attention to a number of issues, including the fuel supply shortage, faster reforms of the distribution sector and the rationalisation of electricity tariff to ensure holistic growth of the sector." ■

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