



# Private Participation

Critical for meeting India's renewable energy potential

By Anil Sardana, Managing Director and Chief Executive Officer, Tata Power

It is indeed progressive and gratifying that over the course of the past several years, successive governments have pledged to nurture and develop renewable sources towards meeting India's energy needs. Sincere efforts have been made in this regard, with substantial resources being set aside in Union budgets, year after year. The government is tapping the current resources in India's renewable energy sector and looking to develop its future potential with a fierce resolve.

The Union Budget 2014-15 announced by the finance minister won accolades from the heavyweights of the power industry for allocating Rs 10 billion to the solar power sector, a gesture that is being seen as an attempt to shift orbits.

However, despite efforts to harness energy from the sun, wind, water and biomass, India continues to rely heavily on oil, coal and natural gas to run its economy. Of its current electricity generation capacity, renewable sources account for 12 per cent, and much less in terms of consumption. Some European nations, on the other hand, have shown how they have been able to develop large capacities and even achieved as high as 50 per cent consumption from renewables.

At the end of January 2014, a group of parliamentarians from a wide spectrum of political parties submitted an expert report titled "RE-Energising India: Policy, Regulatory and Financial Initiatives to Augment Renewable Energy Deployment in India" to Dr Manmohan Singh, the Prime Minister of India at the time. According to the report, India had 75 million households that do not have access to electricity. The per capita

consumption in rural households was only 8 units per month as compared to 24 units in urban households. In 2001-02, the Government of India pledged to provide "electricity for all by 2012", a target that was later deferred to 2017.

At this critical juncture, India has to aim at meeting its energy demands while simultaneously focusing on a steady reduction in emissions. According to power sector experts, this can only be achieved by brewing a "resource mix" that maintains a healthy balance between renewables and non-renewables.

With the current shortage of power and the increasing demand-supply gap, there is a need for a comprehensive energy security policy that plans and implements power generation projects across all available energy resources. The renewable energy potential needs to be harnessed further to help meet this power demand. The message that emerges out of this present scenario is to focus on building opportunities, infrastructure, facilities and livelihoods in and around the renewable energy sector.

## Role of the private sector

While the total estimated medium-term potential (2032) for power generation from renewable energy sources in India is about 183,000 MW, the Twelfth and the Thirteenth Five Year Plans have envisaged an additional capacity of 18,500 MW and 30,500 MW, respectively, from renewable sources.

The government has made serious efforts to promote the sector through various tax and non-tax incentives. Yet none of the renewable energy segments have recorded a healthy growth rate. A mixed bag of hurd-

les, such as land availability and related clearances; right-of-way hindrances; lack of grid availability and grid parity; inadequate infrastructure; and payment security risks are some of the challenges.

Private participation is essential for meeting the country's renewable energy goals. The private sector is the force behind innovation and technology that can help in harnessing energy from renewable sources more efficiently, cost effectively, and on a larger scale. In addition, the private sector is unencumbered by bureaucratic processes and undaunted by red tape. It has gradually developed the renewable energy sector.

The initiative to harness renewables for lighting up rural settlements has always been a part of Tata Power's Energy Mission. The company has a robust portfolio of 22 per cent generation from clean energy sources. It has also partnered with Australian company Sunergy to build the first floating solar plant in India.

The renewable energy road map laid out before the country is clear and well defined. But to ensure development in this sector, there is a need for all stakeholders to join forces. The government must continue playing the part of facilitator by making policies, the financial sector must address the financial concerns of developing these projects, civil society must seek opportunities, and the private sector can develop and create energy generation with both grid and off-grid options. Managing energy in India equitably and efficiently is a mammoth task. No effort can be spared and no avenue left unexplored to reach the final goal of 24x7 power for all. ■