

MONTHLY SECTOR UPDATE

Issue | May 2021



ENERGY SECTOR

“The greatest threat to our planet is the belief that someone else will save it.”

– Robert Swan

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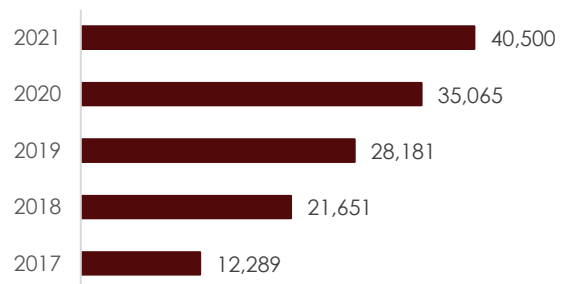
India's Solar-powered Revolution

According to IEA's Executive Director, Dr Fatih Birol, "All roads to successful global clean energy transitions go via India." It has been pointed out multiple times that India's status as a major global economy and as the third largest emitter in the world essentially makes the cleaning up of our energy supply indispensable, primarily to meet global climate targets. As per both national (Ministry of Power, Government of India) and global (International Energy Agency), energy use in India has almost doubled over the last two decades, wherein 80 per cent of demand is met by coal, oil and solid biomass and coal-fired power remains the biggest single contributor to Indian emissions. As per a recent report by IEA, India will see the largest increase in energy demand as compared to any other country, up to the year 2040. IEA's 'India Energy Outlook 2021' indicates that after 60 years of growth the footing of coal over India's power sector is in fact loosening, primarily due to the efforts of the government in tackling air pollution and diversifying the energy mix, as well as falling costs of renewables. Despite the massively growing shift to renewables, air pollution has taken on a much greater significance in the country as it is home to some of the most polluted cities in the world.

As natural gas and modern renewable sources of energy have now started to gain ground, the rise of solar PV has been remarkable in the past few years. Due to the current government's proactive policy interventions, renewables deployment has significantly been picking up pace in recent years, with India adding nearly five times as much solar capacity in 2019 as it did in 2015, and further aiming for solar to overtake coal by the year 2040. In the last five years, Solar PV capacity in India has grown at an average growth rate of around 60 per cent, with wind capacity at around 10 per cent, overtaking the 7 per cent growth in overall installed capacity. This achievement is being applauded worldwide, as evident from the recent US Special Presidential Envoy for Climate's visit.

The installed solar generation capacity in India, as recorded on 30th April 2021, was 40.5 Gigawatts; and the capacity under installation is 36.48 Gigawatts. The capacity installed and under installation comes to 77 Gigawatts, despite losing over a year to the COVID-19 pandemic.

Cumulative Solar Power Capacity (MW)



The Union Cabinet has approved an 'INR 6,238-crore Production-Linked Incentive scheme for white goods' along with clearing an INR 4,500-crore PLI scheme for high efficiency solar PV modules with an aim to add 10,000 MW capacity of integrated solar PV manufacturing plants and bring direct investment of over INR 17,200 crores in solar PV manufacturing. This is a key step that will prove to be exceptionally positive for domestic original equipment manufacturers and will in turn help in improving the cost competitiveness of India's domestic industry as imports of Solar PVs have been proven to pose risks to supply-chain resilience and have numerous security challenges as well. However, factors like the poor financial position of many state distribution companies, grid congestion, difficulties in obtaining access to finance and in acquiring land, and ambiguities around grid infrastructure development hamper further growth of the sector and cannot be ignored. Big infrastructure and machinery investments are required if the government seeks to deliver rapid economic growth which must be sustainable and citizen-centric, or as IEA has stressed, "the new equipment could account for 60 per cent of all emissions by the late 2030s."

Nilaya Varma
Co-Founder & CEO
Primus Partners

News & Announcements

1. IEA-COP26 Net Zero Summit:

Several top global energy and climate leaders came together at the International Energy Agency's COP26 'Net Zero Summit' for the year 2021, to identify the ways and means to work together and reduce global greenhouse gas emissions, while meeting the goals of the Paris Agreement. Indian Power Minister, Shri R K Singh addressed the summit and spoke about India's fast growing RE capacity, highlighting how India has added 149000 MW RE capacity in the last four years and is continuing on the same path with sufficient financial backing. Energy leaders and country heads from around the world pledged clean energy action.

2. US Climate Envoy John Kerry's visit to India to Discuss Energy Transition & Emission Reduction:

US Special Presidential Envoy for Climate, John Kerry and Prime Minister Narendra Modi discussed climate challenges and the scheduled Climate Leaders' Summit (hosted by Washington). Along with Finance Minister Nirmala Sitharaman, Environment Minister Prakash Javadekar, and Minister for Petroleum and Natural Gas Dharmendra Pradhan, the delegation met Indian Minister for Power and New and Renewable Energy R K Singh wherein the Indian side highlighted the country's pace of energy transition and renewable energy growth. According to the Minister of Power, "both the sides agreed for mutual co-operation in energy storage, carbon capture and storage, green hydrogen, and other innovations in respect of energy transition and declared their absolute commitment to leaving a better world for future generations."

3. India's power consumption grows 41 per cent to 119 billion units in April:

During the first half of this month, the peak power demand in India remained well above the highest record of 132.20 GW in the first half of April 2020, as per government data. Power

consumption in April last year, according to Power Ministry's data, was recorded at 84.55 Billion Units. During April 2021, the highest supply in a day touched the highest level of 182.55 GW and recorded a growth of nearly 38 per cent over 132.73 GW as recorded in April 2020.

India's electricity generation was 2.9 per cent lower in the last fifteen days of April than the first half of the month due to curbs on movement that has stifled the demand for power.

4. NITI Aayog's recommendation for more subsidy for electric vehicle purchase:

NITI Aayog once again highlighted the need for creation of non-financial incentives like reserved parking for EV only vehicles in commercial places and shopping complexes under the Faster Adoption and Manufacturing of Electric Vehicles scheme. It also suggested including EVs under priority lending sector. In the status quo analysis of electric mobility in India, NITI Aayog has emphasized that, "Government should give EV purchase subsidy over and above FAME II subsidy along with interest subvention on loan amount taken for EV purchase."

5. India is a step closer to building world's biggest nuclear plant

The French energy group EDF has taken a significant step towards facilitating the building of the world's biggest nuclear power plant in India, a project blocked for years by nuclear events and local opposition. The company has filed a binding offer to supply engineering studies along with equipment to build six, third-generation EPR reactors in Jaitapur, in western India. The project is aimed at providing 10 gigawatts (GW) of electricity, roughly enough for 70 million households.

Source:

Press Information Bureau, Government of India

Key Players Updates

- NTPC is expanding its hospital capacity to fight COVID-19 surge by adding capacity at seven NTPC hospitals that are used for treating COVID-19-infected employees. The power giant has also tied up with Apollo Hospital for its KAWACH facility that is responsible for bringing immense relief to COVID-19-infected patients who are reportedly getting better treatment even in home isolation.
- RattanIndia Enterprises is all set to invest INR 150 crore in electric motorcycle maker Revolt Intellicorp, in lieu of 43 per cent stake in the company. RattanIndia Group will get 50 per cent of the board seats in Revolt, and Rajiv Rattan will be taking over as the non-executive chairman of the company.
- Tesla Inc has plans to add facilities at its Shanghai factory in order to repair and reproduce key components like electric motors and battery cells. Tesla seeks to add manufacturing capacities for car structures and electric motor controllers as per a document submitted by Tesla to Shanghai authorities.
- Infosys and global integrated energy company, BP, have plans to jointly develop an integrated energy-as-a-service (EaaS) that will offer end-to-end management of energy assets and services, the pilot for which will be conducted at Infosys' Pune campus and scaled to other Infosys campuses, cities, and industrial and business parks to reduce emissions. The MoU for this has been signed.
- Flipkart has entered a strategic partnership with the Adani Group to strengthen logistics and data center capabilities which will in turn reinforce Flipkart's supply chain infrastructure and improve its ability to serve its massively growing base of customers.
- Tata Power Delhi Distribution Ltd (TPDDL) has introduced Narrow Band-Internet of Things (NB-IoT) technology in its smart meters and has installed 230,000 smart meters on the Radio Frequency (RF) technology with the, involvement of meter manufacturers and NB-IoT service of Reliance-Jio Network. It is being promoted as a new and cost-effective technology in the 4G and 5G spectrum with fast deployment quality.
- Syska LED won a tender by Convergence Energy Services Ltd (CESL) to supply LEDs for homes in rural India based on carbon finance, wherein CESL will procure 70 lakh 12 watts LED lamps and 30 lakh 7-watt lamps. As per the agreement, Syska and CESL will share 50 per cent of the cost and the balance 50 per cent of revenue from the sale of carbon credits.
- With Tesla being all set to roll out its first all-electric car in India this very year, it has hired top executives in the country who have taken charge of some of its operations in India. Karnataka chief minister BS Yediyurappa had also declared in February this year that the US-based electric vehicle and clean energy company will soon set up its production unit here. Tesla has already registered its office in Bengaluru.
- Toyota has announced its first global line-up of battery electric vehicles at the Shanghai motor show, seeking to have seven of its models hitting showroom floors by 2025.

Source:
Energyworld.com,
from The Economic Times

About Primus Partners

Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'.

'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

India is and will continue to be a complex opportunity. Private and Public sector need trusted advisory partners in order to tap into this opportunity. Primus Partners is your go-to trusted Advisory for both public and private sector organizations involved intricately with nation building, and the creation and growth of robust corporations as engines of progress.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Our core founders form a diverse cohort of leaders from both genders with experience across industries (Public Sector, Healthcare, Transport, Education, etc), and with varied specialization (engineers, lawyers, tax professionals, management, etc).

Primus Partners brings experience of working in more than 30 countries with private and public sector, including working with Government of India, building and leading large consulting teams at the leadership level, and creating one of the largest public sector consulting practice in India. They also represent 200 person years of experience in leading global and Indian consulting firms and the public sector.

The founding team is supported by a distinguished advisory board that includes experts with leadership experience across Government, large corporate and notable civil society organizations.



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