

# MONTHLY SECTOR UPDATE

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## POWER SECTOR

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“Electricity is an example of a general-purpose technology, like the steam engine before it. General purpose technologies drive most economic growth, because they unleash cascades of complementary innovations.”

-Erik Brynjolfsson

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# Meeting UN's Sustainable Development Goals (SDGs)

In September 2015, India adopted the 2030 Agenda during the United Nations Summit wherein, Energy is closely connected with 74% of the 169 targets related to the 17 Sustainable Development Goals (SDGs) which the country must achieve by 2030. Post this, India submitted its Nationally Determined Contributions (NDCs) for the period 2021–2030 to the United Nations Framework Convention on Climate Change (UNFCCC) and ever since the Government of India (GOI) has been strategizing ambitiously for improving the installed capacity of Renewable Energy sources when 75% of its electricity is currently generated by coal-fired power plants.

Various frameworks have been laid down to ensure a shift to RE generated electricity while meeting the electricity requirements and aspirations of 1.3 billion people across the Indian borders. Integrating all low-carbon energy technologies with coal along with ensuring reliability, security, and affordability of electric supply, while constantly balancing it with sustainable development has been the priority of the Central government. India is also formulating and implementing pioneering schemes to clean up our dependence on the coal sector while increasing the integration of renewable energy into the National Power Grid.

According to the Standard Chartered SDG Investment Map, in order to meet the United Nation's sustainable development goals (SDGs), India needs USD 2.64 trillion investment. Furthermore, the country needs to make USD 2,633.9 billion investment by 2030. Out of this expected amount, USD 1,558.8 billion is for clean Energy, USD 505.5 billion for transport infrastructure, USD 377.4 billion for digital access, and USD 192.2 billion for clean water and sanitation, as per the report.

The report states that "Of the total US\$2.64 trillion of investment needed, the potential investment opportunity for the private sector is a whopping US\$1.12 trillion with US\$701.5 billion

going into clean energy, USD 226.5 billion for digital access, USD 176.9 billion in transport infrastructure, and USD 19.2 billion for clean water and sanitation." Thus, the opportunity for private sector investors across all emerging markets to help India in achieving the UN SDG goals stands clear, and this study has identified the specific areas for the private sector to contribute to and directly improve the lives of millions of Indians over the next decades.

Climate change is sure to hit the most vulnerable, the hardest and the Intergovernmental Panel on Climate Change special report on the 1.5-degree goal of the Paris Agreement has clearly revealed that if temperature limit is breached, India will face the brunt of the climate crisis. The current circumstances make it all the more inevitable for private and public entities to responsibly take up the agenda of clean energy and drive innovations to enable India in achieving the UN SDG goals.

Prime Minister Narendra Modi has already given the call for connecting solar energy supply across Indian borders, putting forth the mantra of 'One World One Sun One Grid'. Under the OSOWOG program, India envisions an interconnected power transmission grid across the country for the supply of clean energy. Through leaps like these and with nationwide schemes to facilitate the shift to clean energy, the government has shown its keen interest in ensuring modern and sustainable energy for all. India has made enormous progress on renewable energy, low-carbon alternatives, and increased energy efficiency, and it is now time to make use of the potential in this area that remains unrealized.

Nilaya Varma  
Co-Founder & CEO  
Primus Partners

# News & Announcements

**1. Power consumption in India registered a growth of 5.6 percent in September at 113.54 billion units (BU) after six-month gap since March this year, as per an official statement by the Ministry of Power, Government of India.**

**2. NITI Aayog, Ministry of New & Renewable Energy (MNRE), and Invest India organized a global symposium 'India PV Edge 2020' on October 6, 2020.** It was a one of its kind platform for global cutting-edge technology providers, equipment makers, and PV champions to present their technologies to the Indian stakeholders who are drawing up their PV manufacturing plans and collaborate, in order to boost the 'Make in India' campaign. The participating companies also had the opportunity to hear from the Indian policymakers involved in developing manufacturing schemes. **Around 60 prominent Indian and global CEOs attended the event.** India's most prominent policy makers highlighted India's strong motivation on renewable energy, the investment climate and the country's ambition and opportunities in solar manufacturing. The symposium discussed the 2008–09 financial crisis after which green measures accounted for 16% of the total stimulus measures and concluded that in order to recover from the COVID-19-inflicted impact on the global economy and to battle the impending hazard of global warming, all participating governments must be ambitious and decisive towards clean investments in the energy sector. International cooperation and leveraging strengths are crucial in these times was emphasized on.

As part of an important announcement by the Union Power Minister, it was declared in the symposium that Future power bids will include bids for advanced technology.

**3. The Union Power Ministry has proposed to bring new rules to allow quick compensation to power plants for additional costs arising from change in legal events or modifications in consents or licenses associated with various**

**projects.** The move is aimed at avoiding long drawn regulatory procedures for incontestable cases, adding to stress in the already troubled sector. It also aims to cut down frivolous litigations besides multiple cases over similar claims to enable regulatory commissions focus on genuine disputes. The rules also propose that renewable power plants, if served curtailment notices by Discoms 24 hours in advance, shall mandatorily sell that unscheduled electricity in power exchanges.

**4. Power Finance Corporation Ltd and Jammu Kashmir Power Corporation Ltd (JKPCL) have signed and exchanged an agreement for Liquidity Infusion Scheme** under "Aatmanirbhar Bharat Abhiyaan" for the Jammu and Kashmir Union Territory to use the money sanctioned under this scheme to clear the outstanding dues of CPSU, GENCOs & TRANSCO, IPPs and RE Generators and to help gencos to remain afloat.

**5. The Third Assembly of the International Solar Alliance held on 14<sup>th</sup> October 2020 was attended by 34 ISA Members ministers.** 53 Member countries and 5 Signatories and Prospective Member countries participated to the Assembly in all. **India and France were re-elected as the President and Co- President of the International Solar Alliance (ISA) for a term of two years,** along with four new Vice-Presidents to represent the four regions of ISA. The representatives of Fiji & Nauru for Asia Pacific Region; Mauritius & Niger for Africa Region; UK & Netherlands for Europe and others Region, and Cuba and Guyana for Latin America and Caribbean Region assumed the vice presidency.

# Key Players Updates

- The Public Investment Board (PIB) has recommended that the 850-MW Rattle hydroelectric power project be developed through a joint venture company of the JK Power Development Corporation and the National Hydroelectric Power Corporation. The PIB has also recommended an investment approval for INR 5,281.94 crore for the project, including an infusion of equity of INR 808.14 crore by NHPC in the JVC, the spokesperson said. The equity contribution of JKPDC in the company pegged at INR 776.44 crore will be provided as grant from the Centre.
- The Energy and Resources Institute (TERI) has launched an online rating tool, 'the Portal for Renewable Energy Action Assessment Metrics (PRAMAAN)', for organizations to assess their actions towards renewable power. The portal offers a set of indicators for an organization to assess its progress in moving towards a low-carbon future and can be used as a framework to prioritize electricity options, assess risks, identify opportunities, set targets and develop a sustainable energy roadmap.
- A major fire, which broke out at the coal dump yard of National Thermal Power Corporation (NTPC) in Pakri Barwaidh mining site. NTPC authorities said that about 5.5 lakh metric tonne of coal is kept in the dump yard but they are unable to transport them because of protests by landowners (raiyyats) led by Barkagaon MLA Amba Prasad in the area. The protestors are demanding increased compensation and compliance of other norms for the land acquired by NTPC for the Pakri Barwaidh coal mining project.
- Global investment firm KKR has today launched a newly-created platform to acquire renewable energy assets in India. Headquartered in Mumbai, called Virescent Infrastructure with an aim to expand its portfolio of operational renewable energy assets, enabled by investments predominantly made through KKR's infrastructure fund. Virescent is all set to identify investment opportunities that have stable cash flows stemming from long-term contracts with state governments and central government across India.
- The Board of Directors of NHPC have approved the proposal to merge Lanco Teesta Hydro Power Ltd with it), under Section 232 of the Companies Act, 2013 subject to approval of Government of India. Lanco Teesta Hydro Power is a subsidiary of NHPC that had won the bid to take over the 500 MW Teesta VI hydro power project under the corporate insolvency resolution process (CIRP).
- National Thermal Power Corporation Limited (NTPC Ltd) is collaborating with cement manufacturers across India to supply fly ash to achieve 100 per cent utilization of the by-product produced during power generation. NTPC is using the Indian Railway network to transport fly ash in an economical and environment-friendly manner. NTPC Rihand (Uttar Pradesh) is the first power plant to send conditioned fly ash to cement manufacturers.
- The Andhra Pradesh state government has decided to set up Pumped Hydro Storage Power Projects (PSP) to promote new renewable energy power plants to balance fluctuations in total input power from the existing renewable energy plants. These PSP projects will act as largescale energy storage stations.

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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