

Solar sector needs new debt instruments to bring down cost of capital: Rajya Ghei, CEO, Hindustan Clean Energy

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New Delhi, September 24, 2016: The Regulators & Policymakers Retreat (RPR) hosted by IPPAI with an overarching theme of India – meeting the Aspiration? focused on the 360 degrees of the Indian power sector, both the challenges and its solutions. Eminent panelists like Rajyawardhan Ghei, CEO, Domestic Solar Hindustan Power; Kasi Viswanathan Director , Solon GmbH; Monika Rathi, Head – Business Development Products, Mahindra Susten with the moderator Parag Sharma, COO ReNew Wind Power debated various points that were impeding the growth of Renewables in India.

Rajya W Ghei, CEO, Hindustan Clean Energy Ltd, today, said that that there is an urgent need to bring in new debt instruments to reduce the cost of raising capital for setting up solar projects.

The Government has set an ambitious renewable energy target of 175 GW by 2022, of which 100 GW is for solar power. According to Mr Ghei, while this is an ambitious target, it is still achievable. Further, the tariffs have been falling year on year basis and has now becoming competitive to conventional power and this has brought in lot of acceptance from the discoms. There has been a delay and reluctance on behalf of states in signing the Purchase Power Agreements (PPAs) which is a cause of concern for the developers.

According to Mr Harry Dhaul, Director General, IPPAI, “Today the power sector is in a state of flux. While the Government has been taking various proactive steps, there are still issues that need to be addressed. Through this conference, we have tried to bring all stakeholders under one roof to deliberate and chalk out a roadmap to make the entire power ecosystem in sync with each other. We are hopeful that through this conference, we would be able to examine the key challenges and discuss possible solutions which can be beneficial to the nation”.

According to Mr Parag Sharma, COO, ReNew Wind Power Pvt Ltd, who was the moderator of the session, “There has been lot of positives as far as development of renewable power in India is concerned. However, questions need to be asked if the ambitious target of 175 GW by 2022 is possible and how? It is important to address concerns of all stakeholders- developers, sellers as well as regulators”.

About Hindustan Power

A leading player in India’s energy sector, Hindustan Power has plants in thermal, solar and hydro. The Company is developing more than 6,100 MW of capacity using conventional and non-conventional energy sources in India, Europe and the USA. Although the world’s fourth-largest energy consumer after the USA, China and Russia, India lacks abundant energy resources and meets its development needs by using all available resources. This understanding helped the Company focus on renewable energy for the short-to-mid-term, and conventional energy for the mid-to-long term. Secured supply chains, a diversified customer base and focus on the right technology according to region ensures risk-mitigated growth.

Hindustan Power has consistently focused on giving maximum returns to its stakeholders via corporate growth and social responsibility. Headquartered in New Delhi, the Company has power

generation assets in Chhattisgarh, Gujarat, Tamil Nadu, Odisha, West Bengal, Madhya Pradesh, Punjab, Uttar Pradesh and Himachal Pradesh in India as well as in countries such as Germany, Italy, the US, the UK and Japan.

About IPPAI

IPPAI was set up as a not-for-profit association shortly after the Government of India opened the power sector to private industry. Since its inception as an independent body in 1994, IPPAI's aim has been to provide a neutral platform for the examination of issues critical to the development of the power sector in India, to discuss energy policy and to focus on strategic, financial, legal, regulatory and technical issues in the power, oil, gas and allied sectors with a prime focus on independent power producers.

As we initiate dialogues within the power sector incorporating environmental and socio-ecological concerns in our deliberations, we look at strategies which are more holistic and do not prescribe economic growth at the cost of the environment. Moving ahead, we are keen to bring a sustainable approach in our policies.

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