

GREEN ENERGY

ON A ROLL AS RELIANCE JOINS THE BANDWAGON

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SLOWLY but surely green energy is becoming part of our lives. In this writer's housing complex in Mumbai, a Tata Power vendor had, a few years ago, mounted solar panels on the roof of the multi-story buildings, and the power generated has been fed into the electric supply company's grid. Each of the 5 buildings generates around ₹30,000 worth of solar power a month, and in 4 years, the buildings have earned back their initial capital investment of ₹15 lakh each. Now on, solar energy is subsidising the residents' power bills.

So when Reliance Industries announced, a few days ago, that it had signed up with the Gujarat government to invest ₹5.95 lakh crore in the state to set up 100 gigawatts (GW) of renewable energy plants and other green power initiatives, one realises how mainstream green energy has become.

Mukesh Ambani's renewable power outing is not breaking news. RIL has been repeatedly confirming its commitment to investing in renewable power projects since June of last year. More recently the company announced a series of partnerships and acquisitions worth over ₹12,000 crore with international renewable majors like REC, NexWafe, Sterling & Wilson and Ambri. The brokerage house Bernstein predicts the company will generate up to 10% of the company's pre-tax profits by FY26.

As the world is slowly walking away from fossil fuels, Mukesh Ambani told a Qatar Economic meet last June that the company, dependent for 60% of its turnover on mining hydrocarbons, would rejig its businesses and be net carbon zero by 2035. The one abiding mystery is: why is the entire renewable power plan centered on Gujarat?

The big league

Beyond Reliance Green Energy, and RIL is a late comer, there are a slew of renewable energy companies that are making a mark. The sector has moved beyond government subsidies and programmes as private players realize that this is the disruptive sector to be in. Among the companies tipped for galloping growth is Tata Power. Traditionally in coal-fired power, Tata Power is leap-

frogging in renewable energy with a capacity of 2.6 GW in 11 states, with a target of renewable production of 15 GW by 2025. No wonder the stock is up 210% over the last one year.

Two other renewable energy upstream companies, watched carefully by investors in the stock market, are Websol Energy Systems and Borosil Renewables. Websol is a leading manufacturer of photovoltaic monocrystalline solar cells and exports its products to Europe, while Borosil Renewables is the first and only solar glass manufacturer in India. Both have been on a roll with the Websol stock gaining 175% and Borosil as much as 326% over calendar 2021.

In August last, Re-New Power became the first Indian renewable energy company to list on Nasdaq. But the real pattern for the future is when the legacy companies give up trying to smother the new, disruptive competitors and join the race. Like Chrysler, Ford and GM first tried to kill Tesla, before they decided electric vehicles (EV) was the future.

NTPC, the biggest electricity producer in India, under pressure to green its portfolio and reduce coal use, has launched NTPC-Renewable Energy (NREL), and tied up with IOC for generation and storage of renewable energy. It's also planning to produce green hydro-

gen on a commercial scale from the upcoming 4,750 MW energy park at the Rann of Kutch.

Good progress

At a holistic level, India has installed clean power capacity of little over 150GW, and the target this year is to reach 175GW. The break-up will be: 100GW from solar, 60GW from wind, 10GW from bio-power and 5GW from small hydropower. While Covid-hit 2020 was struggling with new investment of \$6.2 billion in renewable energy projects, minister for power and new and renewable energy, RK Singh, has predicted 2022 will see investment in clean energy cross \$ 15 billion.

At the World Global Climate meet - COP21, India had committed to achieve 40% of its installed power capacity from non-fossil energy sources by 2030. Significantly, this target was achieved in November 2021 itself when green capacity touched 157 GW against a total installed capacity of a little over 392 GW, or 40.1%.

India is still a long way off from optimum standards of sustainable energy, like that of the European Union (EU), which has been logging 72% renewables for the last few years. Renewable energy has its problems. It is unpredictable and dependent on the elements. Initial investment also is a huge deterrent. However, over time, this tapers off and it has been proven over long gestation periods, solar energy becomes 20-25% cheaper than coal.

If one looks for a graph, it will be rapid growth over the next few years, and then a plateau for some time. But the goal of sustainable energy is very much on the horizon.

