

SL. NO.	PUBLICATION	HEADLINE	DATE
ONLINE			
1.	SAUR ENERGY	VIZ-A-VIZ WITH ASHISH KHANNA, ED & CEO TATA POWER SOLAR	3 rd July 2017
2.	SAUR ENERGY	FATE OF PARIS CLIMATE ACCORD	3 rd July 2017

VIZ-A-VIZ WITH ASHISH KHANNA, ED & CEO TATA POWER SOLAR

JULY 3, 2017

[SAUR ENERGY](#) (Clip attached)

VIZ-A-VIZ

“GST is consistent with Government's push to the renewable sector and isn't likely to negatively impact the sector if we look at it from long term perspective.”



ASHISH KHANNA

ED & CEO | Tata Power Solar

Q Share your views on GST, how the new Goods and Services Tax rates impact clean energy drive in India?

GST is definitely one of the most awaited tax reforms in the country. It is aimed towards creating uniform tax slabs across country based on value addition, among other things. Renewable energy has been one such sector that till date exempt from many indirect taxes. Revoking exemptions will definitely impact cost of projects. Solar panel market has been inundated with imports lately, leading to fall in prices. Hence, the new slab rate of 5% in tax liability, isn't likely to impact the demand much. Most of the procurement, especially for Solar Power Generating system are taxable at the rate of 18%. So, prima facie the project cost is likely to become expensive. Since the refund mechanism will entail increase in working capital and thus impacting the industry negatively. However, in the long run, the cost is likely to even out riding on optimum utilization of resources and stringent competition. Moreover, the project cost varies basis the procurement pattern and

tax cost derived out of available exemptions and benefits.

Q Will the GST cause significant disruption to the solar sector?

GST is consistent with Government's push to the renewable sector and isn't likely to negatively impact the sector if we look at it from long term perspective.

Q What are your expectations with MNRE at this moment to boost the solar industry?

MNRE needs to venture up and continue the critical role of policy formulation role with central and state controllers to guarantee that the process of tariff adjustment is as smooth as could be expected under such circumstances. It should play the advisory role for all the affected parties involved for smooth uptake of GST structure.

Q Will the new rate structure give any advantage to domestic manufacturing as cost of import of raw material, including cells and wafers is expected to go up?

The new tax rate structure will not provide much advantage to the domestic manufacturing, in view of rise in cost of import of raw materials, including cells and wafers. Since the GST paid on import will be available for tax set off. As far as the impact on retail or individual customer is concerned, the solar power products would become marginally expensive, however in the long term the solar products would become more quality and cost effective. At this juncture when tariffs from solar is already competing favorably with conventional fossil fuel based power, MNRE in my view should concentrate on establishing and implementing quality standards, as well as drive initiatives to encourage domestic production of cells & modules. Another important element which needs impetus is rooftop solar and distributed generation.

Q Will the GST rate of 5% on solar PV cells and modules have an impact on new solar power projects?

The GST rate of 5% on solar PV cells and modules is an increase in effective rate of indirect taxes from zero to 5%. On the other hand, most of the procurement in relation to SPG system are taxable at the rate of 18%

and in some cases like batteries, cables are even at 28%. There are some estimates that the total project capital cost may rise by about 4% unless "pass through" provisions under change of law is available in PPA.

Q How has the increase in imports of solar cells and modules come as no surprise as Modi government made commendable pledge of installing 100 GW of PV by 2022. However, the country still depends on manufacturers from China and the United States, and other countries to complete the installations in an economically viable manner. What should be or can be done to encourage domestic players?

The industry is going through unprecedented growth. It continues to be a strong year for solar and in line with the MNRE solar mission. However, the Indian solar PV manufacturers are facing challenge primarily due to inflow of cheap and low quality imports in some cases are reported at a price which is lower than the overall costs. Access to funding, quality of equipment/modules are some of the key challenges faced by the manufacturing sector.

Q It is imperative for government and the industry to work together to address basic concerns that plague the sector now.

• Focus on Quality: Critical to ensure quality is not compromised due to singular focus on lower tariff. Current reverse bidding has certain checks and balances, but considering the 100% upfront capex of solar projects and the long-term viability, it is critical that more emphasis is given to long-term quality and sustainability.

• Building awareness especially for rooftop: There is also merit in a concerted effort to build higher awareness among end-users as universal acceptance of solar is critical for it to transform into a more robust industry that is not dependent on subsidies and grants.

• Boost to manufacturing: We are very committed to 'Make in India' initiative and anticipate more focus on developing strong and robust manufacturing sector. Not only can manufacturing help us in becoming self-reliant from an energy PoV, but it has the potential to generate employment, boost exports and thus bring forex and therefore contribute to the overall growth of the economy.

Q What will be the impact on the projects if India imposes Anti-Dumping duty on solar imports?

India has sturdy manufacturing base that should be able to propel 'Make in India' campaign to its fruition. In this context, government's impetus in terms of tax incentives, land acquisition and building of favorable ecosystem for the sector can play significant dividends.

Q How has the increase of international competition in domestic market affecting Tata Power Solar?

International competition within the domestic market has been accelerating at ever faster pace. Leveraging the growing relevance and acceptance of solar as a national as well as at a global level, Tata Power Solar has ramped up its scale substantially, focusing on building state of art technology, engineering and strengthening on customer & employee satisfaction. The company successfully transformed from being product-centric to services-centric and managed to become the largest rooftop player for three years in a row. We are also exporters and achieved the milestone of shipping 1 GW of modules. A good competition in effect is the most important ingredient of giving best services.

Only consideration to be taken that there should not be any compromise on product quality. This is important from long term point of view especially since TPS products are there from 25 years.

Q Tata Power Solar and Delfi have jointly put up India's largest vertical solar farm of 120 kw. Share with us more about the project?

This "first of its kind" project is no different than world's largest single location 12MW rooftop project or 2 BMW carport at Cochin Airport. The Delfi project is India's largest and first of its kind vertical solar farm of 120 KW. The project is a foray for Tata Power Solar into vertical solar structures which have the potential to transform urban energy management, utilizing a fraction of the real estate which is at a premium in cities. This 45meter structure provides the dual benefit of producing sustainable green energy and insulation of the building, thereby helping reduce power consumption of the air conditioning primarily. The solar farm produces enough energy to light-up Delfi's entire cafeteria and basement parking. The project was little complex as the solar structure needed to be integrated on the facade of the building without compromising on the aesthetics. By virtue of its unique design, the project needed significant innovation and customization of the structure, load bearing characteristics and anchorage. To integrate the 480 modules, manufactured by Tata Power Solar, a specially designed, complex scaffolding was built. Safety was of utmost importance as the entire project was on 11 stored building wall. For optimized plant performance, the vertical structure was designed with a 30 degree moving tilt to better enable maintenance. This project demonstrate our strong engineering and project management capabilities.

Q How has focus on efficiency and quality coupled with leveraging technology and innovation helped the company ramp up its revenue to Rs. 2262 crore in 2 years?

This remarkable achievement of around 3 times has been possible through these simple but significant elements.

- Committed and experience team
- Focusing on enhancing skill level of our employees
- Forging strong customer relationship on the back of providing quality products, world class customized solutions and extensive service support and
- Building up on our manufacturing capacity via expansion and modernization of cell and module facilities

The company added very limited costs overheads during the period of this growth. Technology upgradation in manufacturing as well as project execution contributed significantly to efficiencies and better deployment and management of resources. Tata Power Solar commitment towards contributing helping India reach its ambitious targets in renewable sector. Tata Power Solar resolve to have 30 - 40% of its portfolio from renewable energy, one endeavor to provide best quality products & services to one Indian & International clients & Tata value system & care for the society has helped us to continue work towards sustainable, quality-centric approach to solar uptake and customer delight.

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FEATURE

Another commitment under the treaty requires India to increase its forest cover by five million hectares along with an improvement in the quality of green cover of an equal measure by 2030. By being an early entrant into the deal and playing a key role in its ratification, India will be in a better position to put pressure on developed countries to make more ambitious commitments for curbing carbon emissions and providing finances and technology to developing countries to facilitate a low-carbon economy under the new rules of the Paris agreement.

The US regression from climate action should not surprise the world. President Donald Trump has followed the footsteps of his former counterpart George W Bush by deciding to withdraw the US from yet another international treaty that commits parties to reduce carbon emissions in order to tackle global warming. Under these circumstances, the world is now looking east to fill the leadership vacuum in climate governance and push for collective efforts to combat climate change.

Experts feel that the US exit from the Paris Agreement has paved the way to global climate leadership for China and India. India and China are countries that have displayed immense credentials, commitment and leadership potential by taking affirmative action in significantly reducing carbon emissions. India is already on the path of clean energy revolution and is making significant accomplishments in achieving its pledge to the Paris Agreement. As a strategy to reduce its emission, India has embarked on a massive renewable energy programme. Upscaling the National Solar Mission, India has set a target of 100 GW of installed solar energy capacity by 2022. This is five times higher than the original 20 GW target. May 2017 has seen record drop in solar power prices to Rs 2.44/kWh. The Paris Agreement sets for India a target of reducing use of fossil fuel by 40 percent by 2030. India is well on the course of meeting the target well ahead of the cut-off year. The government has only recently cancelled coal-based power projects of nearly 13.7 GW capacity. The government has also clarified that no new coal-based plants would be announced, except those already in pipeline, over next 10 years. According to the National Electricity Plan, 57 percent of power generation in the country will be sourced from non-fossil sources by 2027. This means, India will be exceeding its commitment made for Paris Agreement target by almost 50 percent and that too, three years ahead of schedule. Indeed, India is currently in a strong position not only to meet, but exceed its Paris climate targets. Given the present leadership impasse, the world would be keenly following India's role on climate action in key upcoming forums such as the G20 and COP23 (expected to be held on 6-17 November 2017 in Bonn, Germany). As China looks for a global partner to leverage its influence at the international stage, India is poised to utilize

this potential opportunity and fill the leadership void in global climate change governance.

INDUSTRY'S OPINION

Ashish Khanna, ED & CEO, Tata Power Solar quotes: "Mr. Trump's statement to exit was hinted during his run for the presidential seat. While Paris treaty is a voluntary association of nations concerned towards heating up of our planet and pledging to take steps to control it, and walk-out by a nation having demonstrated leadership in the past is definitely a matter of shifting to renewable sources of energy by other nations, India has always been an enthusiastic supporter of renewable energy and the recent exit hasn't deterred our leadership conviction in working towards clean energy. We will remain committed towards national target to generate 53% of power from non-fossil fuel sources by 2027. India's National Action Plan on climate change embodies Jawaharlal Nehru National Solar Mission which has been the driving force behind India's clean energy plan. We do believe that Solar is a sunrise industry globally and the world is moving towards increasing solarization. Attaining energy security while balancing energy demand is a critical aspect in which our country can work and result into decentralization. This global engagement and India along with other countries have an opportunity to play a lead role. With the recent event, the Indian companies having significant stake overseas may witness a drop in the interest for renewable source in the country of operation."



Ashish Khanna
ED & CEO | Tata Power Solar

Time to Step in for New Global Leaders

The Paris Climate Accord largely symbolic and it will live on even without the support from US. The United States exit has been a setback for the global fight against climate change; EU, India and China have been embraced with an opportunity to lead. It might not be easy to close the gap to achieve the 2 °C goal, but this could flip the narrative and propel a virtuous cycle of action by other nations in fighting the climate change. The international treaty is a much-needed victory for multilateralism, and needs to be more-ambitious-than-expected agreement to pursue efforts to limit global warming to 1.5°C.

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