

REFORMS IN DISTRIBUTION, TRANSMISSION OF ENERGY MUST FOR GROWTH: INDUSTRY

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NEW DELHI: India's energy sector is ready to take a giant leap if the [distribution](#) and [transmission](#) sectors are set right, top industrialists and chief executives said at a breakfast meeting with Power, Coal and Renewable Energy Minister Piyush Goyal.

Goyal told industry leaders at the meeting organised on the occasion of the launch of [ETEnergyworld.com](#) that the government was going flat out to resolve all the pending issues in the sector, just as it had ensured that thermal power plants, which were starved of coal two years ago, were now flooded with fuel. "Each and every power plant now has coal," Goyal asserted.



(Industry leaders as well...)

Industry leaders as well as the minister said the [UDAY](#) scheme to reform distribution companies was vital for both conventional and renewable power projects. GMR Energy Chairman GBS Raju suggested that utilities should make timely payments to generation companies.

[Lanco Infratech](#) Chairman Madhusudhan Rao said states, except Kerala, have stopped issuing tenders seeking electricity and suggested that the government should take ambitious steps to resolve various issues.

Solar and [wind energy](#) entrepreneurs including Suzlon Chairman Tulsi Tanti, ReNew Power Chairman Sumant Sinha, Hero Future Energies Chairman Rahul Munjal also highlighted the importance of efficient distribution and transmission as well as grid stability.

Other industry leaders from the sector included [Tata Power](#) Solar CEO Ashish Khanna, [First Solar](#) country head Sujoy Ghosh, Fortum India Managing Director Sanjay Aggarwal and the Adani Group's CEO for renewable energy Jayant Parimal.

Sinha sounded a note of caution for entrepreneurs. He said a lot of renewable energy companies are keen on selling their plants after bagging them through aggressive bids. He said this may affect the project implementation and decrease the appetite for new projects in primary market.

Aggressive bidding by companies has reduced solar power tariffs to ₹4.34 per unit that is lower than many coalfired plants, and have fallen to a level that many industry experts say is unviable. Finnish utility Fortum, which made the record-low bid is keen to [invest](#) in several business segments in the country, Sanjay Aggarwal, who heads Indian operations of the company, told the minister.

The companies expressed concern that state electricity distribution utilities are not purchasing power due to financial constraints and industrial slowdown. [SoftBank](#) Energy Chairman [Manoj Kohli](#) said emphasis has to be laid on creation of demand. He said the country has not been able to capture 'pent-up' demand from consumers.

He highlighted that India needed a policy standardising all procedures including land acquisition, equipment sourcing and signing power purchase agreements, for setting up power plants across the country. This will help investors to mitigate risks.

Sterlite Grid Vice-Chairman Pratik Agrawal, who launched the Vedanta Group's entry into the transmission sector, said there was a need to invest at least Rs 50,000 crore to strengthen the intra-state power transmission network.

Suzlon Chairman [Tulsi Tanti](#) said the industry does not want to accelerate depreciation for wind power plants, but is looking for a stable policy regime. Inox Wind Director Devansh Jain cited the problem of states backing out of their power purchase agreements once they meet the mandatory renewable purchase obligations set by the regulators.