

ISTS IS POISED TO BE GAMECHANGER FOR RENEWABLE ENERGY ADOPTION BY INDIA'S CORPORATE SECTOR

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MAY 05, 2023

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ISTS is poised to be gamechanger for renewable energy adoption by India's corporate sector: Sashi Kant Mishra, Fourth Partner Energy

By Namrata Gulati Sapra / Updated On Fri, May 5th, 2023



Highlights :

Operational in more than 25 cities, with a foothold in international markets such as Indonesia, Vietnam, Bangladesh, Sri Lanka & Singapore, renewable energy firm Fourth Partner Energy has executed projects for over 200 clients. These include renowned names such as CS, Walmart, Unilever, Skoda, Akzo Nobel and the Mahindra Group. The firm claims to have been a profitable one, having reported its revenue in FY22 at Rs 1018 Cr. Backed by investors and lenders such as Norfund, TPG, Bank of America, CDC (BII), SBI, IREDA amongst others, Fourth Partner Energy is currently in the midst of raising funds. The firm informs us that it is "on track to meet its aggressive growth and expansion plans across India, South & Southeast Asia."

Sashi Kant Mishra, Head, ISTS Business at Fourth Partner Energy, reflects on what's in store for developers following the slew of policy announcements around ISTS projects and open access of late..

Tell us about your current ISTS-connected projects.

Our portfolio entails Rajasthan with 330 megawatt of AC solar capacity, where we are in the phase two of connectivity. In Karnataka, we have another 300 megawatt of power capacity being set up. The said projects are in phase II of connectivity, with the Rajasthan project at an advanced stage and set to be commissioned by December '23 or January 2024. The Karnataka project, on the other hand, should be commissioned early in 2025.

We have set sights on leveraging the open access market in Karnataka. As we speak of open access, I would like to add that in southern states like Andhra Pradesh, Tamil Nadu, the intra state policy is not yet favourable for the developer while in states like Odisha and West Bengal, clarity is lacking.



With the MNRE giving the green signal to part commissioning of ISTS-connected solar projects, how does it impact solar developers?



Sashi Kant Mishra, Head, ISTS Business at Fourth Partner Energy

This is great news, especially for the developers and the C&I customers, delving into the RTC (Round the Clock) mode, since it gives them an opportunity of an extensive platform where they can bring the excess energy into a single enormous location, and supply to a different RTC location across India. It also helps various states meet the RTC load of the customer. This regulation will give an impetus to many players and not just Fourth Partner Energy alone.

There have been a slew of announcements in ALMM one after the other. How does that bode for developers?

ALMM is a very big challenge for the developer. The recent announcements have not been giving any breathing space. That said, there is a huge gap between demand and supply. There are gaps between the size of project, the goals that Indian developers have on mind and are finally developing year on year. Last year also saw deficit.



But would you also agree in the same breath that it has managed to give a push to domestic manufacturing?

Yes, it has helped give an impetus to domestic manufacturing to a certain extent. Firms like Fourth Partner Energy, Amp and Renew were more interested in Indian manufacturers in tier I cities. Then of course, there are other other players in the industry, such as Renewsys, Vikram Solar, Emmvee, Waaree. However, there are not many IPPs and solar developers and with the limited number, it is hard to achieve cumulative goals domestically. I would also like to add here that I find the 40% import duty on solar panels unnecessary against such a backdrop.

There has been a state wise disparity with reference to establishment of renewable energy projects. What explains it?

States policies have a major role to play here. In the states that have performed well, policies do exist, yet there is lack of regulation. for instance, In Jharkhand, there is an open access policy. But when you take a look at it from the lens of practicality, there is no framework yet for approvals for renewable energy projects in Bihar, while on paper, it is very much there. Let's say we want to establish an ISTS project in Bihar or Jharkand or the Northeast or West Bengal, we can supply power to them with no boundaries albeit some regulatory challenges will persist. We are in the process of meeting regulatory heads of states to address challenges. We certainly see a better future for Odisha, West Bengal, Northeast, with reference to ISTS projects.

Coming to Gujarat, it has in place a hybrid policy. One can avail the enormous benefit for the next 25 years under it . However, the 26% equity policy is not encouraged and 100% equity is what is being looked at. Such policy lapses are very confusing for developers. Furthermore, the firms within the state are opposing the intrastate regulations.

Uttar Pradesh and Madhya Pradesh have come up with favourable policy.

What does your current portfolio look like?

When we started out in 2010 onwards, Fourth Partner was purely into the distributed solar segment. Today we offer the entire spectrum of integrated renewable energy solutions to the commercial and industrial sectors. Our aim is to be able to offer Round the Clock renewable energy to companies through a host of solutions like solar, wind, hybrid, battery storage, EV charging and carbon credits.

Our current installed capacity is at 1.3 GW across both the distributed and open access portfolios. We have solar and wind parks across Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra and Gujarat, with a few more projects coming up in other states. I believe ISTS (Inter State Transmission System) is poised to be a gamechanger for renewable energy adoption by India's corporate sector. Fourth Partner Energy is setting up solar and wind parks in Karnataka and Rajasthan to leverage the same.

As we speak of categories, rooftop has been a continuous laggard. What can be attributed to this?

Open Access is more lucrative when compared to Rooftop for a specific segment of corporate consumers. However rooftop solar has its C&I takers, and will see a spurt in demand in FY24.