**EXPLORING NEW FRONTIERS: FOURTH PARTNER ENERGY BETS BIG ON INDIA, SOUTH & SOUTHEAST ASIA FOR BUSINESS EXPANSION – SAJID SYED HEAD – INTERNATIONAL BUSINESS, FOURTH PARTNER ENERGY**

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# Exploring New Frontiers: Fourth Partner Energy Bets Big On India, South & Southeast Asia For Business Expansion – Sajid Syed Head – International Business, Fourth Partner Energy

By Sadhana Shenvekar - 15th August 2023 303 0

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Sajid Syed Head – International Business, Fourth Partner Energy

**What makes India's RE outlook promising from a policy/ regulatory point of view?**



India is amongst the fastest growing renewables markets globally– with over 200 GW of installed renewables capacity and 30% of RE in the energy mix, the country is now targeting Net Zero by 2070. Three recent policy initiatives taken by the Centre that provide a tremendous fillip to the industry include

Notification of GEOA or the Green Energy Open Access norms

Waiver of transmission charges for RE under ISTS

Issuance of annual 50 GW Renewables tenders to accelerate the energy transition

Recent estimates by financial sector experts India could well receive $800 bn investment into green energy over the next decade across RE adoption, battery energy technology, grid infrastructure, and development of green hydrogen. This interest in India is only because the country is ripe for energy transition and the government is committed to it. In the C&I segment, we are increasingly meeting firms that want to maximize the consumption of renewables, as they are aware they play a pivotal role in the country's decarbonization story. These are clear indicators of the potential of India's renewables growth story.

**What are some of the biggest challenges faced in India from a policy perspective?**

In India, electricity is a concurrent subject– which means despite notification from the Centre, States are permitted to interpret, adapt, and issue policies independent of central guidelines. This often leads to policy doublespeak with States amending regulations frequently. For any sector to flourish and attract significant investment – long term, stable and transparent policy, along with quick single-window approvals is imperative. Another challenge is the financial health of Discoms – which results in States often amending policy in the fear that Renewables will take away the lucrative, high-paying commercial and industrial consumers. Given that climate change and emissions control is a priority: an energy transition is no longer an option; which means Discoms will have to realize that encouraging open access and enabling the usage of grid infrastructure by RE developers is an alternate source of revenue and is better for the planet. Even at a central level, issues like ALMM for Open Access projector notifications around the Group Captive structure need to be issued after assessing all stakeholders' opinions and not in an ad-hoc manner. Notification of uniform policies across States for OA charges, banking settlement, and CEIG approvals in line with GEOA norms will boost the sector.

**We would appreciate it if you could highlight one key policy and one key regulatory challenge from each of the following geographies where Fourth Partner Energy operates. Indonesia Policy Challenge:**

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Indonesia faces policy challenges as it aims to transition from conventional thermal power to greener alternatives. While the government sets targets for renewable energy, tenders released by PLN-affiliated entities require a high percentage (40-50%) of local content, including specified components and equipment. However, the imposition of local content results in a 30-40% higher cost for the domestic balance of the system compared to imported counterparts. Additionally, Indonesia's PV panel manufacturing capacity is limited and without the latest technology. Has an annual module production capacity of 1.6 GWp, with 50% of the capacity geared towards exports. This situation presents technical, availability, and financial impacts on projects.

**Regulatory challenge**: In terms of regulatory challenges, Indonesia's booming economy attracts both local and foreign direct investment (FDI) companies interested in committing to more renewable power to decarbonize their supply chains. However, the current regulation imposed by PLN limits onsite solar projects to about15% of a factory's contract demand, without provision for offsite solar or open access schemes. This restriction hampers the ability of the commercial and industrial (C&I) sector to fulfill their commitments towards renewable energy.

**Vietnam Policy challenge**: The country has shown significant growth in solar power with over 16 GW installed in just over two years, mainly due to favorable feed-in tariffs. However, the absence of clear policies on rooftop solar and direct power purchase agreements (DPPA) poses a major challenge. Although the recent Power Development Plan VIII has removed the 1 MW/meter connection limit on rooftop solar and mentioned the introduction of DPPA, more specific guidelines are needed for their effective implementation.

**Regulatory challenge**: In terms of regulatory challenges in Vietnam, the state-owned utilityEVN does not allow power to be fed into the grid, requiring projects to be built with zero export devices. To stimulate the market, provisions for net metering and energy settlement should be established. These measures would enable better sizing of solar plants and provide more certainty for C&I clients in making off-take commitments. Also, bringing in offsite solar and wind with open access schemes will help the companies in the C&I sector with large power requirements to consume green energy.

Also Read Motolite Philippines Surpasses Green Milestone With Extensive Solar Panel Installations

**Bangladesh Policy challenge**: Regarding Bangladesh, the country has implemented favorable policies for onsite solar power projects, particularly through its net metering policy. The net metering policy allows up to 10 MW or 70% of the contract demand, along with guidelines on payment bank guarantees. However, reforms are needed on the input side of project development to improve cost efficiency. Critical equipment such as modules and inverters are not readily available from domestic suppliers, and the high import duties and taxes further impede project economics. Offering fiscal incentives and tax holidays for renewable power developers can stimulate the market.

**Regulatory challenge**: In terms of regulatory challenges in Bangladesh, although the net metering policy is supportive, the process of obtaining net metering is tedious and time-consuming. To address this issue, the government should consider implementing a streamlined single window clearance process with defined time guidelines for approval, simplifying and expediting the metering application process.

***Additionally, we are interested in learning about Fourth Partner Energy's plans for international business expansion. Could you please share any new markets or regions that the company is considering exploring?***

Building upon our established presence in two Southeast Asian countries, we are strategically poised for further expansion in the region. With a deep understanding of the local energy landscape and a proven track record of delivering renewable energy solutions, we are keen to leverage expertise and capitalize on emerging opportunities in neighboring markets.

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