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Executive summary

2. ELECTRIFICATION ACHIEVEMENTS

- India has been on a path to achieve 100% household electrification as envisaged under the Saubhagya scheme. As of March 2019, more than 26.2 million households were electrified under the Saubhagya scheme.
- According to the Union Budget 2021-22, 139 GW of installed capacity and 1.41 lakh circuit km of transmission lines were added and 2.8 crore households were connected in the past 6 years.

3. ROBUST GROWTH IN RENEWABLES

- As of March 2021, India had an installed renewable energy capacity of 94.43 GW.
- Solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower by 2022. The target for renewable energy has increased to 227 GW by 2022.
- India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

4. FAVOURABLE POLICY ENVIRONMENT

- 100% FDI is allowed under the automatic route in the power segment and renewable energy.
- Under the Union Budget 2021-22, the government proposed to launch a National Hydrogen Mission for generating hydrogen from green power sources.

1. THIRD-LARGEST PRODUCER AND SECOND-LARGEST CONSUMER GLOBALLY

- India is the third-largest producer and second-largest consumer of electricity in the world, with an installed power capacity of 382.15 GW, as of April 2021.
- India was ranked fifth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2019.
Advantage India

1. Growing demand
- Expansion in industrial activity to boost demand for electricity.
- Growing population along with increasing electrification and per-capita usage to provide further impetus.
- Power consumption is estimated to reach 1,894.7 TWh in 2022.
- India ranked sixth in the list of countries to make significant investments in clean energy by allotting US$ 90 billion between 2010 and the second half of 2019.

2. Higher investment
- India’s power sector is forecast to attract investment worth Rs. 9-9.5 trillion (US$ 128.24-135.37 billion) between FY19-FY23.
- Total FDI inflow in the power sector reached US$ 15.36 billion between April 2000 and December 2020.
- As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of Rs. 111 lakh crore (US$ 1.4 trillion).

3. Policy support
- Under the Union Budget 2021-22, the government allocated Rs. 305,984 crore (US$ 42 billion) for a revamped, reforms-based and result-linked new power distribution sector scheme over the next five years.
- In June 2019, Government launched US$ 5 billion of transmission-line tenders in phases to reach 175 GW target by 2022.

4. Opportunities
- 100% FDI allowed in the power sector has boosted FDI inflow in this sector.
- Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).

Market Overview
Evolution of the Indian power sector

Before 1956 Introductory Stage
- Electricity (Supply) Act 1948
- Establishment of semi-autonomous State Electricity Boards (SEBs)

1956-1991 Nationalisation Stage
- Industrial Policy Resolution (1956)
- Generation and distribution of power under state ownership
- Power losses, subsidies, infrastructure bottlenecks and resource constraints.

1991-2003 Liberalisation Era
- Legislative and policy initiatives (1991)
- Fast-track clearing mechanism of private investment proposals
- Electricity Regulatory Commissions Act (1998) for establishing Central and State Electricity Regulatory Commissions and rationalisation of tariffs

2003 onwards Growth Era
- Electricity Act (2003)
- Implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme for rural and urban areas, Implementation of Ujwal DISCOM Assurance Yojana (UDAY) which will be helpful to all villages and tracking it using the Grameen Vidyutikaran App
India among top four power generating nations

- With a generation of 1,558.7 TWh, India is the third-largest producer and the third-largest consumer of electricity in the world.
- Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity.
- India's energy firms have made significant progress in the global energy sector. According to the S&P Global Platts Top 250 Global Energy Rankings 2019, Reliance Industries Ltd. and Indian Oil Corp. Ltd. ranked 19th and 25th, respectively.

**World’s leading electricity generation in 2019 (TWh)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Generation (TWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>7,503.4</td>
</tr>
<tr>
<td>US</td>
<td>4,401.3</td>
</tr>
<tr>
<td>India</td>
<td>1,558.7</td>
</tr>
<tr>
<td>Russia</td>
<td>1,118.1</td>
</tr>
<tr>
<td>Japan</td>
<td>1,036.3</td>
</tr>
<tr>
<td>Canada</td>
<td>660.4</td>
</tr>
<tr>
<td>Germany</td>
<td>612.4</td>
</tr>
</tbody>
</table>

*Note: TWh - Terawatt Hours*

*Source: BP Statistical Review World Energy 2020*
With electricity generation (including renewable sources) of 1,389.102 BU in India in FY20, the country witnessed growth of around 0.95% over the previous fiscal year.

During FY16-FY20, electricity production in India grew at a CAGR of 4.3%.

All un-electrified inhabited census villages were electrified by April 28, 2018, ahead of the deadline of May 1, 2018.

Under the Union Budget 2021-22, the government has allocated Rs. 15,322 crore (US$ 2.11 billion) for the Ministry of Power and Rs. 5,753 crore (US$ 794.53 million) for the Ministry of New and Renewable Energy.

For 2020-21, electricity generation target from conventional sources was fixed at 1,330 BU, comprising 1138.533 BU of thermal energy; hydro energy (140.357 BU) and nuclear (43.880 BU); and 7.230 BU was imported from Bhutan.

According to the Ministry of Power, India’s power consumption grew 0.88% at 104.73 billion units (BU) in February 2021, compared with 103.81 BU in February 2020.

**Notes:** BU - Billion Unit, *- Until February 2021  
**Source:** BP Statistical Review, Ministry of Power, News Articles
Wind energy is the largest renewable energy source in India. Projects like the Jawaharlal Nehru National Solar Mission (aims to generate 20,000 MW of solar power by 2022) are creating a positive environment among investors keen to exploit India’s potential. There are plans to set up four solar power plants of 1 GW each. As of March 2021, India had 94.43 GW of renewable energy capacity. The target is to achieve installed capacity of 227 GW by FY22.

India’s gas thermal power capacity stood at 31.54 GW, as of March 2021. By 2022, it is expected to witness total installed capacity addition of 0.41 GW. Lignite thermal power capacity stood at 6.26 GW as of November 2020.

India’s diesel thermal power capacity was ~0.51 GW, as of March 2021.

With a large swathe of rivers and water bodies, India has an enormous potential for hydropower. As of March 2021, India’s hydro power generating capacity stood at 46.21 GW. By 2022, it is expected to witness total installed capacity addition of 6.82 GW.

As of March 2021, India had 6.78 GW of installed nuclear capacity. With one of the world’s largest reserves of thorium, India has a huge potential in nuclear energy. By 2022, it is expected to witness total installed capacity addition of 3.30 GW.

Notes: GW - Gigawatt
Source: Ministry of Coal, NHPC, CEA, Corporate Catalyst India, Indian Power Sector, Ministry of Power
In FY21, the total thermal installed capacity in the country stood at 234.72 GW. Installed capacity of renewable, hydro and nuclear energy totalled 94.43 GW, 46.21 GW and 6.78 GW, respectively.

By 2022, India has a target to achieve total production of 227 GW from renewable resources, of which 114 GW will be produced from solar power.

As part of the green corridor project, power lines would transmit 20 GW of power capacity from 34 solar parks across 21 states.

NTPC Ltd.’s oldest unit in Singrauli, Uttar Pradesh, has achieved the highest Plant Load Factor (PLF) of 100.24% among all thermal units in the country between April 2020 and December 2020.

All India PLF stood at 63.27% in February 2021, compared with 60.27% in February 2020. Although renewable energy generation increased at a healthy rate of 6.6% from April 2020 to January 2021, its contribution remained limited to 17% of the overall electricity supply (in February 2021).

Notes: GW - Gigawatt, *Until March 2021  
Source: Ministry of Coal, NHPC,Central Electricity Authority (CEA), Corporate Catalyst India
Generation capacity has increased at a healthy pace

- Installed capacity have increased steadily over the years, posting a CAGR of 7.19% in FY16-FY20.
- Energy generation from thermal sources stood at 736.87^ billion units between April and October 2020.
- Coal-based power installed capacity in India stands at 202.67 GW at present and is expected to reach 330-441 GW by 2040.

Note: GW - Gigawatt, ^-Provisional, @ CAGR until FY20, *- Until March 2021
Source: CEA (Central Electricity Authority)
Major players in the power sector … (1/3)

1. NTPC is the largest power producer in India and is also the sixth-largest thermal power producer in the world.
   - With a total installed capacity of 62.9 GW, NTPC has 71 power stations comprising 24 coal, seven combined cycle gas/liquid fuel, one hydro, 14 renewables, along with 25 subsidiary & JV power stations. The group has over 20 GW of capacity under construction.
   - It has also diversified into hydro power, coal mining, power equipment manufacturing, oil and gas exploration, power trading and distribution. NTPC group reported a 5,290 MW commercial capacity addition plan for FY20.
   - NTPC Ltd. achieved 100% plant load factor (PLF) on May 9, 2020 in three of its thermal power stations.
   - In June 2020, Republic of Mali awarded Project Management Consultancy contract to NTPC for development of 500 MW solar park.
   - It achieved highest daily gross generation of 977.07 million unit (MU) on July 28, 2020.

2. Tata Power is India’s largest integrated power company with significant presence in solar, hydro, wind and geothermal energy space. The company accounts for 52% of the total generation capacity in the private sector.
   - The company has an installed capacity of 10,957 MW. By 2022, the company plans to increase the generating capacity to 18 GW, distribution networks to 4 GW and energy resources to 25 million tonnes per annum.

3. Power Finance Corporation Limited (PFC) is an NBFC, engaged in financing and development activities within the Indian power sector.
   - Major products and services include project term loans, lease financing, direct discounting of bills, short-term loans and consultancy services.

Source: Company website, News articles, Industry sources
Major players in the power sector … (2/3)

4. Adani Power is one of India’s largest private thermal power producers, with total capacity at 12.45 GW in 2019; the company aims to generate 20 GW of power by 2020.
   In June 2020, Adani Green Energy won a major tender to set up 8 GW of manufacturing-linked solar energy project with an investment of Rs. 45,000 crore (US$ 6.38 billion).

5. CESC Limited is a vertically integrated player engaged in coal mining and generation and distribution of power.
   As of January 2020, it owns and operates three thermal power plants generating 1,125 MW of power.
   These are Budge Budge Generating Station (750 MW), Southern Generating Station (135 MW) and Titagarh Generating Station (240 MW).

6. NHPC is the largest hydro power utility in India. In FY19, the company achieved the highest ever generation of 24.19 BU. It is engaged in construction of two hydro-electric project with aggregate installed capacity of 2,800 MW.
   It has drawn an extensive plan to add about 6 GW of hydropower capacity by 2022.

7. Damodar Valley Corporation (DVC) is engaged in power generation, distribution and transmission of electric power, irrigation and flood control.
   In April 2021, DVC’s three thermal stations were ranked among the top 10 in the central utility sector as of March 2021.

Source: Company website, News articles, Industry sources
Major players in the power sector … (3/3)

8. SJVN Limited is the second largest hydro power company in India. The company plans to diversify into wind power projects soon. For FY19, SJVN’s capital expenditure (CAPEX) target was Rs. 900 crore (US$ 139.64 million) and turnover target was Rs. 2,175 crore (US$ 337.47 million). In March 2021, SJVN won a 70 megawatt solar power project in Gujarat.

9. Power Grid Corporation of India Limited (PGCIL) is the single largest transmission utility in India. It is responsible for planning, co-ordination, supervision and control over inter-state transmission systems. As of January 2021, the company managed 168,140 km of transmission lines and 252 substations.

Source: Company website, News articles, Industry sources
Recent Trends and Strategies
1. Control generation costs
   - Companies are developing captive coal fields to reduce price volatility and ensure uninterrupted supply of fuel to control generation cost.
   - Most of the power companies are now located near energy source. This helps minimise costs of fuel transport.

2. Acquiring sources of fuel supply
   - Power companies are now looking at securing adequate supplies of fuel by targeting not only domestic but also overseas resources.
   - Reliance Power already has coal reserves in Indonesia.
   - Essar Power have captive coal mines in Indonesia from which it extracts coal for power plants in India.
   - Government has enabled power utilities for swapping their coal supplies with the nearest source to save miscellaneous costs and decongest the rail network.

3. Diversifying generation technologies
   - Companies are using multiple-generation technologies based on a project’s requirement.
   - Companies such as NTPC and Reliance Power already have coal-fired, gas-fired and hydroelectric capacity. This helps them diversify and reduce dependence on a single source.

4. Additional revenue streams
   - Most of the companies are now looking to sell their carbon credits to generate additional revenue by employing supercritical technology.

5. Digital India
   - Launch of smart grid mission with 14 DISCOMS as a pilot. Smart metering for high-end users of electricity.
   - In June 2020, Government launched pan-India Real Time Market in electricity.

6. AatmaNirbhar Bharat
   - In November 2020, GE Power India received a letter of award to supply NOx reduction system worth Rs. 12.78 crore (US$ 1.73 million) to NTPC’s Barauni thermal power plant. All the key components for the project will be manufactured in India.
Growth drivers in power sector of India

Growing demand
- Electricity generation in India stood at 1,252.61 BU in FY20
- Electricity generation recorded a growth of 0.26% y-o-y in FY20

Policy support
- Supports commissioned power plants to sell electricity in the absence of valid Power Purchase Agreement (PPA)
- Relaxed FDI Norms

Increasing investment
- India’s power sector is forecast to attract investment worth Rs. 9-9.5 trillion (US$ 128.24-135.37 billion) between FY19-FY23
- PE Investments in renewable energy totalled US$ 1.4 billion in 2019
- Economic Survey predicts an investment of US$ 330 billion in renewable sector by 2030

Note: FDI - Foreign Direct Investment
Source: Central Electricity Authority of India
Industrial expansion and strong GDP growth driving power demand… (1/2)

- Multiple drivers (industrial expansion, growing per-capita incomes) are leading to growth in power demand. This is set to continue in the coming years.
- India is set to become a global manufacturing hub with investment across the value chain.
- India’s power demand is expected to rise to 1,905 TWh by FY22.
- The industrial sector accounted for 42% of the total electricity consumption in FY19P.

**Share of electricity consumption in industrial sector**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>44%</td>
</tr>
<tr>
<td>FY16</td>
<td>42%</td>
</tr>
<tr>
<td>FY17</td>
<td>41%</td>
</tr>
<tr>
<td>FY18</td>
<td>41%</td>
</tr>
<tr>
<td>FY19P</td>
<td>42%</td>
</tr>
</tbody>
</table>

**Note:** TWh - Terawatt Hours, P - Provisional  
**Source:** Ministry of Statistics and Program Implementation, CEA
Future investment will benefit from strong demand fundamentals, policy support and increasing Government focus on infrastructure.

Per capita electricity consumption in the country grew at a CAGR of 2.96% from FY16 to FY20, reaching 1,208 KWh in FY20.

- This growth was mainly attributed to electrification of villages and households across the country.

Per capita electricity consumption posted consistent growth from 914 kWh in 2012-13 to 1,208 kWh in 2019-20, an increase of 32%.

India aims to reduce emissions intensity of its gross domestic product (GDP) by 33% to 35% by 2030 from 2005 levels and increase share of non-fossil fuels to 40% of the total electricity generation capacity.

### Per-capita electricity consumption (KWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Per-capita Electricity Consumption (KWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>1,075</td>
</tr>
<tr>
<td>FY17</td>
<td>1,122</td>
</tr>
<tr>
<td>FY18</td>
<td>1,149</td>
</tr>
<tr>
<td>FY19</td>
<td>1,181</td>
</tr>
<tr>
<td>FY20</td>
<td>1,208</td>
</tr>
</tbody>
</table>

**Note:** P : Provisional, data as per latest available figures, BU - Billion Units  
**Source:** CEA, KPMG
Policy support and initiatives… (1/5)

1. National Policy on Biofuels - 2018
   • In May 2018, the Government of India approved National Policy on Biofuels 2018.
   • Benefits of this policy were related to health, clean environment, employment generation, reduced import dependency, and boost to infrastructural investment in rural areas.

2. Ultra Mega Power Projects (UMPPs)
   • Launch of UMPP scheme through tariff-based competitive bidding.
   • Ease of land possession, provision of fuel, water and necessary clearances for enhancing investor confidence

3. R-APDRP
   • Linking disbursement of central Government funds (to states), with actual reduction in transmission and distribution losses. Sanctioned projects of more than US$ 5.8 billion.
   • In June 2019, the state administrative council sanctioned Rs. 173 crore (US$ 24.3 million) for Supervisory Control and Data Acquisition (SCADA) and Distribution Management System (DMS) under R-APDRP Scheme for Jammu and Srinagar cities.

4. Saubhagya Scheme
   • The Pradhan Mantri Sahaj Bijli Har Ghar Yojana, “Saubhagya”, was launched by the Government of India with an aim of achieving universal household electrification by March 2019. By 2018, a total of 25 states achieved 100% household electrification, which included 23.1 million rural and 844,670 urban households.
   • Amount of 1,463.95 crore (US$ 209.45 million) was spent in 2017-18 for Saubhagya scheme.

Notes: R-APDRP - Restructured Accelerated Power Development and Reform Programme
Source: Ministry of Power, Asian Development Bank, KPMG, News Articles
UnnatJyoti by Affordable LEDs for All (UJALA) and Street Lighting National Programme (SLNP)

- As December 2020, over 36.69 crore LED bulbs, 1.14 crore LED tube lights and 23 lakh energy-efficient fans have been distributed across the country, saving ~47.65 billion kWh per year.

Loan

- In December 2020, the Asian Development Bank (ADB) and the Government of India signed a US$ 100 million loan to modernise and upgrade the power distribution system for enhancing the quality and reliability of electricity supply in Bengaluru, Karnataka.
- In December 2020, the Asian Development Bank (ADB) and Government of India signed a US$ 132.8 million loan to strengthen and modernise the distribution network and improve quality of power supplied to households, industries and businesses in Meghalaya.

Energy Conservation Campaign

- Replacing nationwide streetlights with LED lights. Plan to save 10% energy that would light up 11 crore lives. Replacing 1 crore bulbs in Delhi within one year.

Power to the people

- The Union Budget 2021-22 has allocated Rs. 5,300 crore (US$ 731.75 million) to the Integrated Power Development Scheme (IDPS) and Rs. 3,600 crore (US$ 497.03 million) towards the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).

Source: Ministry of Power, Asian Development Bank, KPMG, News Articles, Union Budget 2021-22
Policy support and initiatives… (3/5)

9

Tariff

- Feed-in Tariff scheme is used for promoting generation of electricity from renewable energy sources. The Ministry of New and Renewable Energy set solar power tariff caps at Rs. 2.50 (US$ 0.04) and Rs. 2.68 (US$ 0.04) unit for developers using domestic, and imported solar cells and modules, respectively, in August 2018.
- Solar tariffs in India have reduced from ~Rs. 7.36/kWh (US 10 cents/kWh) in FY15 to Rs. 2.63/kWh (US 3.57 cents/kWh) in FY20.

10

Boost to manufacturing

- To create potential for domestic manufacturers and developers, Government will auction 40 GW of renewable energy projects including 30 GW solar and 10 GW wind every year until 2028.

11

Smart Meter

- Under the Union Budget 2020-21, the government has set a target of installing smart electricity meters in all households across the country by 2023.

12

India Energy Modelling Forum (IEMF)

- In October 2020, the government announced a plan to set up an inter-ministerial committee under NITI Aayog to forefront research and study on energy modelling. This, along with a steering committee, will serve the India Energy Modelling Forum (IEMF) jointly launched by NITI Aayog and the United States Agency for International Development (USAID).

Source: Ministry of Power, Asian Development Bank, KPMG, News Articles
Policy support and initiatives… (4/5)

**Direct Benefit Transfer (DBT) Scheme**
- Union and state Governments have agreed to implement Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies.

**Vision ‘24x7’ Power for All’**
- All the states and union territories of India was on board to fulfil Government’s vision of ensuring 24x7 affordable and quality power for all as per the Ministry of Power and New & Renewable Energy, Government of India.

**No environment clearance required for solar projects**
- The Ministry of Environment, Forest and Climate Change, Government of India has clarified that solar PV (photovoltaic) power, solar thermal power projects, and solar parks will not require the environment clearance which was mandatory under the provisions of Environment Impact Assessment (EIA) notification, 2006.

**Green Energy Corridor Project**
- Under the Union Budget 2021-22, the government has allocated Rs. 300 crore (US$ 41.42 million) to increase capacity of the Green Energy Corridor Project, along with Rs. 1,100 crore (US$ 151.90 million) for wind and Rs. 2,369.13 crore (US$ 327.15 million) for solar power projects.

*Source: Ministry of Power, Asian Development Bank, KPMG, News Articles*
Policy support and initiatives… (5/5)

17 Rent a roof policy

- Indian Government is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

18 National Electricity Policy 2021

- In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP) 2021.
- The MoP has created an expert committee including members from state governments, the Ministry of New and Renewable Energy (MNRE), NITI Aayog and the Central Electricity Authority (CEA).

Source: News Articles
Increasing investments: FDI inflow and key deals… (1/2)

- Power is one of the key sectors attracting FDI inflow into India.


- Power sector accounted for 3% of the total FDI inflow until September 2020.

- Cumulative FDI inflow in the power sector stood at US$ 15.36 billion between April 2000 and December 2020.

Source: DPIIT
## Increasing investments: FDI inflow and key deals… (2/2)

### Important deals

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Target</th>
<th>Date</th>
<th>Value (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayana Renewable</td>
<td>ReNew Power (Wind Farm in Karnataka)</td>
<td>Nov 2020</td>
<td>219</td>
</tr>
<tr>
<td>Global Infrastructure Partners</td>
<td>RattanIndia</td>
<td>Sep 2020</td>
<td>232</td>
</tr>
<tr>
<td>Actis</td>
<td>Acme Solar</td>
<td>Aug 2020</td>
<td>312</td>
</tr>
<tr>
<td>Adani Power Limited</td>
<td>Odisha Power Generation Corporation (OPGC)</td>
<td>Jul 2020</td>
<td>135</td>
</tr>
<tr>
<td>TOTAL Gas &amp; Power Business Services</td>
<td>Adani Green Energy Limited (AGEL)</td>
<td>Apr 2020</td>
<td>530.40</td>
</tr>
<tr>
<td>IndiGrid</td>
<td>Sterlite Power</td>
<td>Jan 2020</td>
<td>145.94</td>
</tr>
<tr>
<td>Bharti Airtel Limited</td>
<td>AMPSolar Evolution</td>
<td>Oct 2019</td>
<td>1.20 (26%)</td>
</tr>
<tr>
<td>Adani Transmission</td>
<td>Bikaner-Khetri Transmission Limited (BKTL)</td>
<td>Sept 2019</td>
<td>-</td>
</tr>
<tr>
<td>SunEdison Infrastructure</td>
<td>Megamic Electronics</td>
<td>Jul 2019</td>
<td>10 million</td>
</tr>
<tr>
<td>Power Finance Corporation (PFC) Ltd.</td>
<td>Rural Electrification Corporation (REC) Ltd.</td>
<td>Dec 2018</td>
<td>52.63% of holding</td>
</tr>
<tr>
<td>Renascent Power Ventures Pte Ltd.</td>
<td>Prayagraj Power Generation Company Ltd (PPGCL)</td>
<td>Nov 2018</td>
<td>854.94 (75.01% stake)</td>
</tr>
<tr>
<td>Kohlberg Kravis Roberts &amp; Co (KKR)</td>
<td>Ramky Enviro Engineers Limited</td>
<td>Aug 2018</td>
<td>530</td>
</tr>
<tr>
<td>ReNew Power</td>
<td>Ostro Energy</td>
<td>Apr 2018</td>
<td>1,668.21</td>
</tr>
<tr>
<td>Canada Pension Plan Investment Board (CPPIB)</td>
<td>ReNEW Power Ventures Ltd.</td>
<td>Jan 2018</td>
<td>144 (6.3% stake)</td>
</tr>
<tr>
<td>ReNew Power</td>
<td>Wind power assets of KC Thapar Group</td>
<td>21 Nov 2017</td>
<td>155.55</td>
</tr>
<tr>
<td>Adani Transmission Limited</td>
<td>Reliance Infrastructure Limited (Mumbai)</td>
<td>Oct 2017</td>
<td>2,932</td>
</tr>
</tbody>
</table>

**Note:** FDI - Foreign Direct Investment, PE - Private Equity, Thomson One Banker

**Source:** Thomson One Banker, Industry News, VC Circle
Opportunities
In the current decade (2020-2029), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations.

Demand for electricity is expected to increase - per capita consumption of electricity is estimated to be at 1,894.70 TWh by FY22.

Current production levels are not enough to meet demand - annual demand outstrips supply by about 7.5%.

Various reforms being undertaken by the Government are positively impacting India's power sector. In wake of the surging domestic coal production, the country’s power sector is becoming increasingly stable.

Non-coking coal consumption is forecast to grow at a CAGR of 5.4% to reach 1,076 MT in FY23 from 826 MT in FY18. Domestic supply is forecast to reach 931 MT in FY23 from 664 MT in FY19, growing at a CAGR of 7%.

In order to decarbonise the energy consumption, India needs a 30-fold increase in renewable energy, 30-fold increase in nuclear energy and doubling of thermal energy, which would make 70% of energy consumed carbon free.

Notes: TWh - Terawatt Hour
Source: International Energy Agency (IEA), CEA, Demand estimates based on IEA forecasts
India is witnessing a deficit in meeting the peak demand over the last two fiscal years.

- The peak power demand in the country stood at 170.83 GW in FY20.
- Peak power demand recorded a rise of 9.3% at 186.03 GW in March 2021, compared with 170.16 GW in March 2020.

**Indian power sector: market with enormous growth potential**

![Power Supply Position (GW)](chart)

**Note:** GW - Gigawatt, P – Provisional, *- Until March 2021

**Source:** CEA
Renewable energy is fast emerging as a major source of power

- As per the Central Electricity Authority (CEA) estimates, by 2029-30 share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.
- Wind energy is the largest source of renewable energy in India. It accounts for 41.79% (39.24 GW)* of the total installed renewable capacity (94.43 GW)*. There are plans to double the wind power generation capacity to 60 GW by 2022.
- Solar power is the second-largest source of renewable energy. It accounts for 41.91% (40.08 GW)* of the total installed renewable capacity (94.43 GW)*. The government has set a target of achieving 100 GW by 2022.
- The Ministry of Power aims to achieve 227 GW of installed renewable energy capacity by 2022.
- Around 15 GW of wind-solar hybrid capacity is expected to be installed between 2020-2025.
- In October 2020, Patel Engineering announced that it has won an order worth Rs. 1,564.42 crore (US$ 211.15 million) to build 2,000 MW Subansiri Lower Hydro Electric project in Arunachal Pradesh.
- In November 2020, Energy Efficiency Services Limited (EESL), a JV of PSUs under the Ministry of Power and Department of New & Renewable Energy (DNRE), Goa, signed an MoU, to discuss roll-out of India’s first Convergence Project in the state.
- In December 2020, the foundation stones of India’s largest hybrid renewable energy park having 30 GW capacity was laid in Gujarat at Vighakot village in the district of Kutch. The estimated cost of this project is ~Rs. 1.5 lakh crore (US$ 20.44 billion).

Notes: TWh - Terawatt-hours, Figures mentioned in the graph is as per latest data available, * - as of March 2021, SEIC - Solar Energy Corporation of India
Source: BP Statistical Review World Energy 2020, CEA, News Articles

In March 2021, Actis LLP, a private equity firm, planned to invest US$ 850 million to build two green energy platforms in India.
- According to the firm, the first platform will focus on setting up grid-connected solar and wind power parks, while the second platform will tailor to the commercial and industrial segment.
Strong upward momentum in nuclear energy likely in medium to long term

- India has a net installed capacity of 6.78 GW as of March 2021. It has been using nuclear fuels across 20 reactors, and of these, 18 are Pressurised Heavy Water Reactors (PHWR) and 2 are Boiling Water Reactors (BWR).
- Nuclear Power Corporation of India Limited (NPCIL) plans to construct 5 nuclear energy parks with a capacity of 10,000 MW.
- The Government of India will set up 21 new nuclear power reactors with a total installed capacity of 15,700 megawatt (MW) by 2031.
- Under the Union Budget 2021-22, the government allocated Rs. 278.95 crore (US$ 38.56 million) for the development of nuclear power projects under the Ministry of Atomic Energy.
- On July 23, 2020, NPCIL achieved criticality of a third unit of 700 MWe (Megawatt electric) at its plant in Tapi district based completely on indigenous technology.

### Nuclear energy installed capacity in India (GW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (GW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>6.78</td>
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<tr>
<td>2025E</td>
<td>20</td>
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</table>

### Nuclear power plants and reactors under construction in India

<table>
<thead>
<tr>
<th>Power station</th>
<th>Operator</th>
<th>Capacity (MW)</th>
<th>Expected Operation</th>
<th>Sanctioned Cost (Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madras</td>
<td>Bhavini</td>
<td>500</td>
<td>2020</td>
<td>5,677</td>
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<tr>
<td>Kakrapar Unit 3 and 4</td>
<td>NPCIL</td>
<td>1,400</td>
<td>2022</td>
<td>11,459*</td>
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<td>Gorakhpur</td>
<td>NPCIL</td>
<td>1,400</td>
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<td>20,594</td>
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</tbody>
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**Note:** GW - Gigawatt, E – Estimates, *- Under revision

**Source:** Ministry of New and Renewable Energy, Business Monitor International, CEA
## Key industry contacts

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
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<tbody>
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<td>Tel: 91 11 25618472, 45652708</td>
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<tr>
<td></td>
<td>Fax: 25611622</td>
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<td>Fax: 91 11 26178352</td>
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<td>E-mail: <a href="mailto:dg-bee@nic.in">dg-bee@nic.in</a></td>
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<td>Website: <a href="http://www.beeindia.in">www.beeindia.in</a></td>
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<td>E-mail: <a href="mailto:hypaindia@gmail.com">hypaindia@gmail.com</a>, <a href="mailto:president@hpaindia.org">president@hpaindia.org</a>, <a href="mailto:secretary@hpaindia.org">secretary@hpaindia.org</a></td>
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<td>E-mail: <a href="mailto:manish@inwea.org">manish@inwea.org</a></td>
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<tr>
<td></td>
<td>Website: <a href="http://www.inwea.org">www.inwea.org</a></td>
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</table>
Glossary

- CAGR: Compound Annual Growth Rate
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
  - So FY10 implies April 2009 to March 2010
- GW: Gigawatt
- M&A: Merger and Acquisition
- MW: Megawatt
- NBFC: Non-Banking Financial Company
- PE: Private Equity
- PLF: Plant Load Factor
- Rand D: Research and Development
- R-APDRP: Restructured Accelerated Power Development and Reform Programme
- TandD: Transmission and Distribution
- TWh: Terawatt-Hour
- RGGVY: Rajiv Gandhi Grameen Vidyutikaran Yojana
- US$: US Dollar
- Rs.: Indian Rupee
- Wherever applicable, numbers have been rounded off to the nearest whole number
## Exchange Rates

### Exchange Rates (Fiscal Year)

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<thead>
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<th>Year</th>
<th>Rs. Equivalent of one US$</th>
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<tbody>
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<td>2004-05</td>
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<td>2005-06</td>
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<td>2019-20</td>
<td>73.20</td>
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### Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
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<td>74.18</td>
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<tr>
<td>2021*</td>
<td>74.94</td>
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**Note:** As of April 2021  
**Source:** Reserve Bank of India, Average for the year
India Brand Equity Foundation (IBEF) engaged Sutherland Global Services private Limited to prepare/update this presentation.

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