



ON THE HORIZON

CLP India is eyeing transmission corridors, smart grids, says Managing Director Rajiv Mishra p6

CLP India eyes transmission corridors, smart grids

VRISHI KUMAR
Hyderabad, May 17

CLP India, part of the 115-year-old Hong Kong-based energy company, is eyeing potential buyouts, transmission project bids and renewable energy sector space in the country.

The company, whose installed capacity is close to about 3 giga watt (3000 MW) in the country, is expected to see its renewable energy capacity going past the one giga watt mark with the commissioning of the 100 MW solar park at Veltloor in Telangana.

Rajiv Mishra, Managing Director of CLP India, in an exclusive interaction outlines how the company, which is over 15 years in India, is looking at India's unfolding opportunity, including potential of buyout of renewable assets under development and looking for funding.

The \$25 billion market cap parent was second company to be listed on the Hong Kong Stock Exchange. He said, "Our long term objective is to be a listed entity in India too."

How has been the progress for you in India?

CLP India, the wholly-owned subsidiary of CLP Holdings Limited, has recently completed 15 years. We have made a



total committed investment of over ₹14,500 crore, which covers a diversified portfolio of supercritical coal and gas-fired power plants, and renewable energy amounting to over 3100 MW.

We entered Indian power sector in 2002 with the acquisition of the 675-MW gas-fired plant in Bharuch in Gujarat. CLP owns and operates a 1320 MW (2x660 MW) supercritical coal-fired plant in Jhajjar, Haryana, taken up through an international competitive bidding process.

How has been the progress in the renewable energy sector? What is the update on the Veltloor solar project?

CLP is one of the largest wind power developers in the country with projects of close to one giga watt across six states. Wind has been

In India, the changes in terms of falling prices are disruptive. We will have to wait and see how these projects come up.

RAJIV MISHRA
Managing Director CLP India

the integral part of CLP India's business strategy and expected to continue making a vital contribution.

We are in the process of executing a 100 MW solar power plant at Veltloor in Telangana. This project, being executed by CLP and Suzlon Group, with equity of 49:51, marks our entry into solar energy segment. The project is expected to be commissioned before June-July.

What are your plans in terms of capacity addition?

Our investments are based on the opportunities and the policy framework. We do not set any MW target but want to grow sustainably and profitably.

We are conservative on raising debt. The sector itself is going through a phase of consolidation. It will offer opportunities in future.

Apart from power generation, the transmission sector holds immense scope for us. We have bid for projects and are awaiting the outcome. Similarly, the renewable energy too offers opportunities to develop projects.

The power sector is rapidly transforming. Where do you see yourself playing a role?

The large utility model has been going through changes from 2007 with questions raised about CO2 emissions. A more decentralised generation approach with greater emphasis on demand side management will be the new thrust area directionally. It won't be long before

consumers decide when they want to use which form of energy.

Issues vary from India to Vietnam and the US. We are developing two coal fired plants in Vietnam. In India, the focus is on affordability of power and in the US, it is climate change. Therefore, one solution does not fit all.

The focus will be on renewable energy projects and transmission lines and possibility of consumer facing retail business.

What about falling solar projects?

In India, the changes in terms of falling prices are disruptive. We will have to wait and see how

these projects come up. The power demand growth has not been on expected lines. These headwinds will be there for couple of years before things get better.

In States like Tamil Nadu and Rajasthan, projects had to face backdown. There were also payment issues with States like MP and Rajasthan and Maharashtra. Therefore, developers have been cautious in their approach.

How do you see the power sector prospects going forward?

The slowdown in recent months has led to softer demand for power in India. In the long run, we expect the reforms in the sector will place the sector on a stronger footing. The Uday scheme has begun to play a positive role.

As a part of the CII think tank on the power sector, we learn that in one month after the new Government took over in Uttar Pradesh, the power supply has shot up by a whopping 50 per cent. This only shows that the current per capita consumption of 1000 kWh per annum is too low and has huge potential to go up gradually.

