

Energy Access Monitor

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Trending topics

Rural Electrification



- Centre plans to set up national discom
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Financing Energy Access

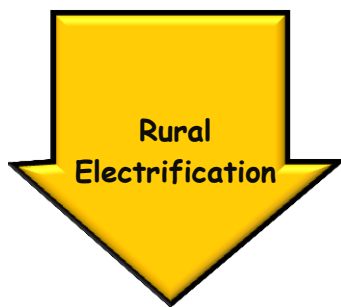


- Government banks continue to fund coal projects in India

Women and Energy Access



- The Indian women lighting the way for change



Centre plans to set up national discom. The Union government plans to set up a national power distribution company that will handhold state discoms in electricity distribution activities and ensure time-bound implementation of central schemes. As per one of the officials, the proposed company will compete with private firms and contractors to bag contracts of state-run distribution companies for appointing franchisees or engineering tenders.

Apart from small distribution consultancy wings in Rural Electrification Corporation, Power Grid Corporation and NTPC, the central government has no presence in electricity distribution sector.

According to a senior official the Union government has presence in all the power sector segments, be it financing, generation or transmission, but power distribution has always been out of focus and a laggard in the entire system. “There has been demand from sections of society to have a national level distribution corporation that may work in joint ventures with state governments for implementation of various power distribution activities. A Sector head-corporate ratings at ICRANSE -1.34 % Ltd said, “Such an entity could also benefit the discoms in cost competitive power procurement as nodal agency through bidding route with back-to-back power supply agreements with the interested discoms.”

The proposed company may or may not obtain a distribution licence, said another government official, adding it will not interfere in the working of state power distribution companies given the federal structure. He also stated that the utility will ensure implementation of central schemes for power sector in a time-bound manner. It has been widely felt that there is a need for handholding and guiding state distribution companies, and a national distribution corporation may fill the gap.

Experts said this would be a smart move, particularly for fulfilling the Narendra Modi government’s “power for all” promise ahead of the 2019 general election. The government proposes to electrify all households and provide reliable electricity supply by March next year. The draft Electricity Act, likely to be circulated for comments this week, provides for separation of distribution infrastructure ownership from power supply licences and also penalties on discoms for gratuitous load-shedding. India has also been trying to achieve smart metering and smart grid network.

Maharashtra is powerhouse of India, says Chief Minister of State. Speaking at the Chief Minister’s Conclave convened on the sidelines of the Asian Infrastructure Investment Bank (AIIB) event, Chief Minister of Maharashtra said that the state has come up with an economic model that would put its growth trajectory from current the 9 per cent to 10 per cent to 15.4 per cent. Maharashtra is working towards becoming a one-trillion-dollar economy by 2025, he stated that state was the “powerhouse of India”.

- The state has come up with an economic model that would put its growth trajectory from current the 9 per cent to 10 per cent to 15.4 per cent, ensuring that it becomes a one trillion dollar economy by 2025.

He said that the infrastructure-led development in Maharashtra would encompass projects in both urban and rural sectors. Along with construction of 25,000-km state and national highways, they will build a network of rural roads worth Rs 30,000 crore. "Maharashtra is the powerhouse of India... The Centre, which plans to achieve a five trillion dollar economy by 2029, would see Maharashtra aspiring to attain its one trillion dollar economy by 2025".

[The Economic Times](#), 18 June 2018 | [The Indian Express](#), 26 June 2018



Government banks continue to fund coal projects in India. A majority of government-owned banks and financial institutions continued to fund coal projects in India in 2017, an analysis of energy project lending said on 19th June. It also reveals that comparatively, private financial companies are investing more in renewable energy projects compared to coal. The report 'Coal vs Renewables Finance Analysis' by the Delhi-based Centre for Financial Accountability (CFA) finds that coal received Rs 60,767 crore (\$9.35 billion) in lending whereas renewable energy received Rs 22,913 crore (\$3.50 billion).

- "The shift against coal and towards solar and wind is quite well established in the financial markets now and investing in coal has and will expose public banks to further bad loans." The report identifies and reviews project finance lending to 72 energy projects, comprising of coal-fired power stations and renewable energy generation facilities in India that reached financial close in 2017. These projects attracted total lending of Rs 83,680 crore (\$12.85 billion).
- Of the top 10 lenders to coal power projects, eight were majority government-owned banks that collectively gave close to Rs 30,337 crore (\$4.5 billion) in new and re-financed lending towards 12 coal power projects. These were Rural Electrification Corporation, the State Bank of India, India Infrastructure Finance Company, Bank of India, Bank of Baroda, Canara Bank, Punjab National Bank and Power Finance Corporation.

In contrast to coal lending, half of the top 10 lenders to 60 renewable power projects (solar and wind) were commercial financial institutions such as L&T Finance Holdings, Yes Bank and IndusInd Bank as opposed to majority government-owned banks. As much as 76 per cent of renewable project finance was primary finance and 24 per cent was re-financing of existing project, indicating a vast growth in new renewable projects in 2017. All the lending identified was concentrated in 14 states. Of these, only two attracted no renewables lending; Jharkhand and Uttar Pradesh. States with significant renewables lending such as Karnataka, Punjab, Tamil Nadu and Telangana had no coal lending. Projects in Uttarakhand and Odisha received minimal lending overall, with no loans to coal-fired power projects and little to renewables.

In states such as Gujarat, renewables lending outpaced coal lending more than four-fold. In most other states with both coal lending and renewable energy lending, coal lending was higher than renewable lending. Chhattisgarh provides an extreme example, where coal-fired power projects attracted almost 10 times that of renewables projects in 2017. The earlier CFA study, 'Coal Currency', mapped lenders of 125 projects, with a total capacity of 243 GW. Of a total available data of Rs 4,82,648 crore, Rs

51,026 crore or 11 per cent, were financed by 22 international financial institutions, while 89 per cent or Rs 4,31,622 crore, was financed by 51 national financial institutions, which include non-banking institutions, public and private commercial banks.

The Economic Times, 19 June 2018



The Indian women lighting the way for change. In India's desert state of Rajasthan, rural women are becoming the surprise agents of change, convincing coal-reliant communities to switch to solar.

They are called "Solar Sahelis" or "solar friends", and their job is to convince their neighbours to invest in solar-powered solutions. But there are challenges. For instance, since decades, rural India has been flooded with poor quality solar products, most of which have ended up in landfill. For the Solar Sahelis, their first hurdle is helping people to overcome their scepticism, that renewables are a failed technology.

With the fastest growing population on the planet, India's energy needs are staggering. Nearly a quarter of its population has no access to electricity, and for many others it's unreliable. Ajaita Shah, a young Indian entrepreneur, saw this as an opportunity and in 2011, she founded the firm Frontier Markets, with the aim of selling reliable renewable products to those living off grid.

- Ms Shah begun training up local women as solar entrepreneurs. And in two years, she established a network of 1,000 Solar Sahelis across Rajasthan.

At the local market, she met a group of farmers. The conversation quickly moved on to the poor state of the electricity supply and the problem of frequent power cuts. She asked if they had heard of any solar alternatives. And they responded that they use re-chargeable battery powered torches, but the electricity supply we need for these to work is not reliable. And they have never heard of a solar-powered torch. Though most of the people are unaware about these products but those who know about these products are unaware about their availability and accessibility in the market.

Clearly, it is an uphill task. But Ajaita Shah is confident that investing in women is a smart business move, and the key to poverty alleviation and change. "We recognise the value that women offer; communication, marketing, data collection, demonstrating and after-sale service" she says.

BBC News, 22 June 2018