

Uniform policy & involving discoms, key to hit solar target

CleanMax Solar CEO calls for long-term policy vision

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CleanMax Solar, a Mumbai-based developer working on build-own-operate model in which it installs solar plants at customers' site at its cost and sells the generated power, aims to reach 1GW capacity in the next two-three years, Gajanan Nabar, CEO, has said.

Nabar, who took over as CEO in February 2017, told *Business-Line* that the company has increased its total installed capacity to 300 MW at the end of FY18 from 96 MW at the end of FY17.

Rapid growth

"Last year, our capex investment was ₹1,200-1,300 crore, and we will continue to keep the same pace," Nabar said.

The company, founded in 2011 by Kuldeep Jain, a former

partner at McKinsey & Co, and Andrew Hines, formerly from BP Renewable, had announced \$100 million investment by private equity firm Warburg Pincus last year. It may look at raising fresh funds this year, Nabar added.

Adobe, Volvo, United Breweries, and Chennai Metro Rail are among the major corporate clients the company added the last financial year.

While IT, industrial manufacturing and auto industry remain three major sectors generating demand for CleanMax's rooftop solar and open access solutions, the ordering activity from other sectors has nearly doubled during last year, the company said.

Incentives to discoms

Although both solar rooftop and open access market have grown in the last couple of years, their potential, especially in the corporate segment, remains limited as State policies are uncertain and im-



Gajanan Nabar, CEO, CleanMax

plementation is often an issue.

"Uniform policy-making is required if India wants to achieve its solar target. We also need to think about discoms because corporate players' wins cannot be at discoms' loss. They should be in the overall play," Nabar said.

State power distribution companies (discoms) generally consider rooftop solar projects as a threat to their business, especially when a large industrial or corporate client adopts it as the requirement for grid electricity declines,

leading to revenue losses for discoms.

Karnataka, where open access solar projects have been exempted from wheeling, banking and cross subsidy charges since 2013 till the end of March, 2018 (the Karnataka Electricity Regulatory Commission has recently issued an order imposing the charges on renewable energy projects) has emerged as the leading State in terms of adoption of open access projects. The entire open access capacity of CleanMax Solar, for example, is based in Karnataka, spread across three solar farms.

"In Karnataka, as per existing policy, discoms are not getting any revenue from solar projects, but I would rather have discom in the play as well. It will be more sustainable," Nabar said.

Need for clarity

He added that solar developers are willing to compensate discoms for losses in revenues as

corporates adopt solar power by paying wheeling and banking charges. However, he said, the conditions under which discoms are getting compensated should be clear, uniform and long-term.

"You need to have a consistent policy with at least 5-10 years' vision because all our investments are long-term and we sign long-term PPAs with corporate customers," Nabar said. Several States, including Maharashtra, Haryana, UP, West Bengal and Telangana, have started adopting pro-solar policies, Nabar added. Trends are changing on the corporate side, too, he said, as businesses start adopting large-scale solar projects.

"People now come with bigger requirements like 5-10 MW while earlier they would not talk more than 1 MW. So, opportunities just got bigger. Businesses see solar not only as an opportunity for savings, but as a chance to 'go green'," Nabar said.