

CleanMax bets on open access opportunity

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Mumbai, January 11

As corporates look for alternatives to expensive grid connection, CleanMax Solar — one of the largest rooftop solar developers in the country — plans to tap the open access opportunity.

Open access allows energy consumers sign direct power purchase agreements with energy generators bypassing utilities. According to consultancy firm Bridge to India, total open access solar capacity in India is estimated at around 2,900 MW, which is just 12 per cent of the total solar capacity installed.

CleanMax's installed capacity at the moment stands at around 500 MW, out of which 330 MW are open access projects and 170 MW are rooftop projects. According to Andrew Hines, Co-founder of CleanMax Solar, the developer has doubled the number of corporate customers in last two fiscals — from 34 accounts in FY16 to 76 in FY17 and over 140 in FY18 and it targets 200 accounts by 2020.

However, the company is betting on easier regulatory environment for open access energy. While rooftop segment is “steady and predictable” as it is less dependant on regulations — most of the States in the country by now have “reasonably favourable” net metering policies in place. The open access market though remains very “regulation specific”, Hines added.

One example is Karnataka, where CleanMax along with other developers, has successfully tapped the open access opportunity after the State, in 2014, waived transmission and wheeling charges till end of March 2018 (last year, however, the State imposed retrospective charges which have been legally challenged).

This, according to Hines, made the third party open model viable for developers as well as energy consumers. While few States like Haryana have followed the similar model, the policies in Tamil Nadu, Maharashtra and Gujarat are more favourable towards so-called “group captive

model” (where users have to have some equity ownership) that will be more viable, Hines added.

“Going forward, there would be a broader take for open access opportunity in the country, although I don't see there would be a single State that will lead the way Karnataka did last year. I think it is likely to be a number of States that will have reasonable policies for projects to happen,” Hines said.

Banking policies

“There are some things which are necessary to make solar power open access work. What is particularly important is banking — there needs to be a recognition that banking policy is needed to make renewable energy work,” Hines said.

Banking allows generators to virtually bank the electricity for consumption by end-customers at a later time which is particularly important for renewable energy projects as they cannot be ramped up or down unlike coal, gas-based or hydro power projects.