

# Power firms bet on data centres

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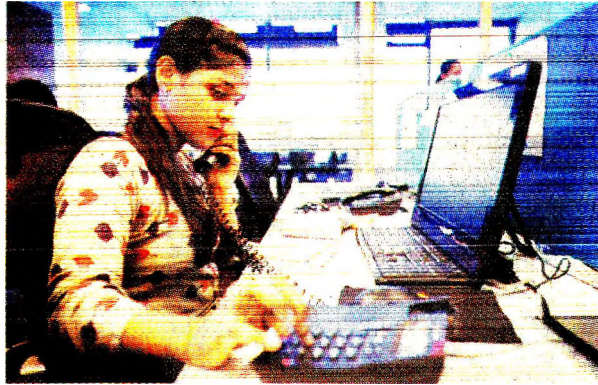
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Industrial data centres are mega consumers of electricity — so much so that consumption of such units is even more than a small village. This has prompted power producers in India — both conventional and solar — to make a beeline to tap these data centres.

One of India's largest data centre companies STT GDC India alone plans to expand its capacity in load terms to 500 megawatt (Mw) from the current 85-90 Mw in India.

As India's overall data centre market is expected to grow rapidly, power producers like Adani Green and JSW Energy, and solar solution companies like Fourth Partner Energy and CleanMax, have turned bullish on the segment.

“Demand for power from these data centres will grow in a big way. We will be open to exploring both opportunities in conventional and solar power requirements,” said Sharad Mahendra, director and chief operating officer (COO) of JSW Energy. Mahendra feels that data centres in India will require



both thermal and solar power. “Demand from data centres will also contribute to the current power demand growth and help improve plant load factor for existing thermal plants.”

Sumit Mukhija, chief executive officer (CEO) of STT GDC India, pegged the country's data centre market at 350-400 Mw in terms of load capacity.

Most attribute India's rapid digital transformation as the main contributor to data centre market growth. “Increasing the number of devices, connectivity, 5G coverage and overall digital transformation are upping the amount of data being generated. Hyperscale data centre

construction will dominate the data centre industry,” said Sanjay Motwani, vice-president Asia-Pacific, Raritan.

Some like Karan Chadha, head, business development, Fourth Partner Energy, expects the Indian data centres' market to grow at compound annual growth rate or CAGR of 9 per cent to 11 per cent in the next 5 years. “It is a no-brainer that this industry is extremely energy intensive and can benefit significantly from adoption of renewable energy, especially solar power,” he said.

Chadha points out that 95 per cent of electricity back-up for data centres in India, at pres-

## HEADING NORTH

### AS DATA CENTRES GROW....



Number of data centres in the world have grown to **8 million**, from **0.5 million in 2012**

Indian data centre market is expected to grow at **9-11% CAGR in the next 5 years**

### ...DEMAND FOR POWER ALSO LIKELY TO INCREASE



Data centres consume more than **3% of electricity globally**

Responsible for over **2% of global carbon emissions**

Indian data centres are dependent on diesel generators for **95% of power back-up**

ent, is dependent on expensive diesel generators. Power companies expect green power solutions to cater to this back-up demand in future.

“India's current capacity is already hundreds of megawatts and should grow to thousands of megawatts in solar capacity in the next couple of years,” said

Andrew Hines, co-founder, country director, Thailand and head-business development (south India), CleanMax.

The company already services a couple of data centre companies and plans to expand further in this segment. Hines expects data centre companies to look at open access and captive power source type of solutions in India.

Adani Green is another company which sees a huge demand from the data centre business. The Adani group is already planning to set up a green data centre in Andhra Pradesh. A green data centre is designed to use less energy and space, and its structural design and source of power are environmentally friendly. Officials from Adani Green, in an earnings call for the quarter ended September 2019, said while there is demand potential, open access challenges in certain states remain.

The current data centres in the country are spread across Telangana, Maharashtra and Karnataka. Executives from power as well as data centre businesses point out that coastal states will be favoured for setting up data centres.