

India Coal Plant Developer Switches to Solar for Site in Punjab

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- ▶ RattanIndia to convert 800-acre site to PV instead of coal
- ▶ Company to raise 6 billion rupees for current solar projects

A prominent developer of coal-fired power plants in India is seeking to switch to solar for an 800-acre (324-hectare) site in Punjab it had earmarked for another thermal plant, saying the economics of photovoltaics are more attractive.

RattanIndia Power Ltd. which has 1.6 gigawatts of thermal capacity in central India, asked government permission to install solar panels at the site in Punjab instead of the coal plant it was planning, said Rajiv Rattan, chairman of RattanIndia Group.

“In the next three to four years, you will see the entire 800 acres getting used for solar,” Rattan said in an interview.

The decision highlights increasing interest in India’s solar program after Prime Minister Narendra Modi set out a target to install 100 gigawatts of capacity by 2020 at an estimated cost of \$100 billion. Incentives and regulations designed to draw finance from companies to help meet the target have attracted a handful of overseas developers to bid in auctions for power contracts in India, reducing the cost of solar electricity to a record low.

RattanIndia is the only domestic firm to take on large foreign companies in Indian government auctions for solar contracts, which were dominated by SunEdison Inc. of the U.S., SoftBank Group Corp. from Japan, Fortum OYJ of Finland and Solairedirect Group from France.

RattanIndia has made a bold statement by making aggressive bids and competing with foreign companies in large government solar tenders where most Indian corporates were out, the solar research firm Bridge to India said.

Enough Space

"The focus now should be on execution," said Vinay Rustagi, managing director at Bridge to India. "There is enough space for all players because India's solar story is one for the long term."

Rattan intends to double his company's solar capacity to 500 megawatt in the next six months and will also raise 6 billion rupees (\$88 million) to fund 240 megawatts of projects won in recent auctions.

The cost of solar power touched a record low of 4.34 rupees (or 6 cents) a kilowatt-hour for contracts awarded on Jan. 19 in the sunny southern state of Rajasthan, where a total of 420 megawatts of capacity was granted.

RattanIndia, through its unit Yarrow Infrastructure Ltd., obtained 70 megawatts out of that chunk at a cost of 4.35 rupees a kilowatt-hour. The remaining capacity was won by foreign firms.

The Indian company won another 40 megawatts at 4.43 rupees a kilowatt hour on Jan. 23 in Maharashtra, where it has over 200 acres.

RattanIndia was neck to neck with SunEdison last November quoting 7 cents (or 4.63 rupees) a kilowatt-hour for a 500-megawatt project in the southern state of Andhra Pradesh. The Indian company lost out there because of a lag in bidding on an electronic platform.

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