



WORLD
RESOURCES
INSTITUTE

CORPORATE **RE** PROCUREMENT: Experiences from India

*Deep dive workshop: How corporate demand for green power can support renewable energy markets in Asia
June 6, 2016.*

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1. WRI's Collaborative Solar procurement project

Part A: Renewable energy business landscape in India



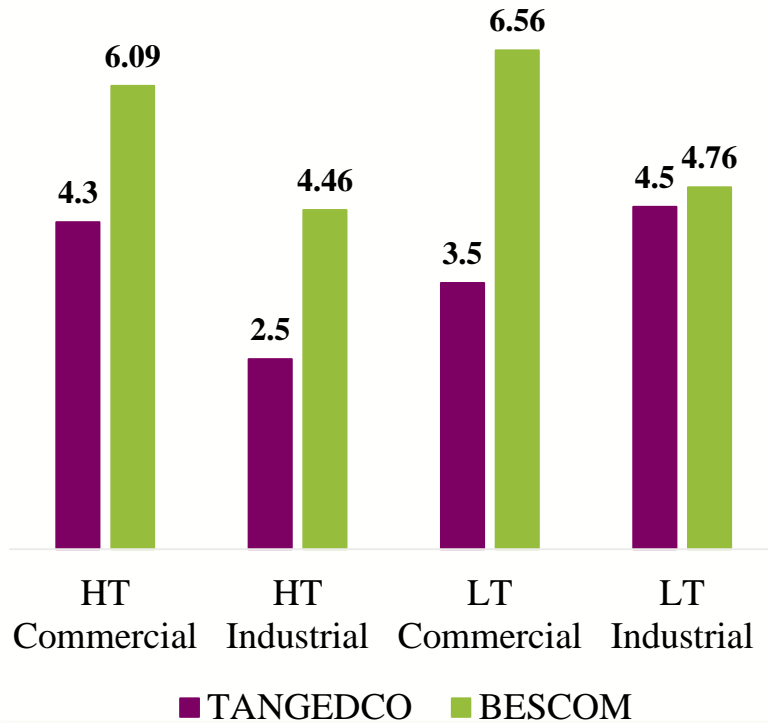
Business case

Country level targets

Regulatory compliance

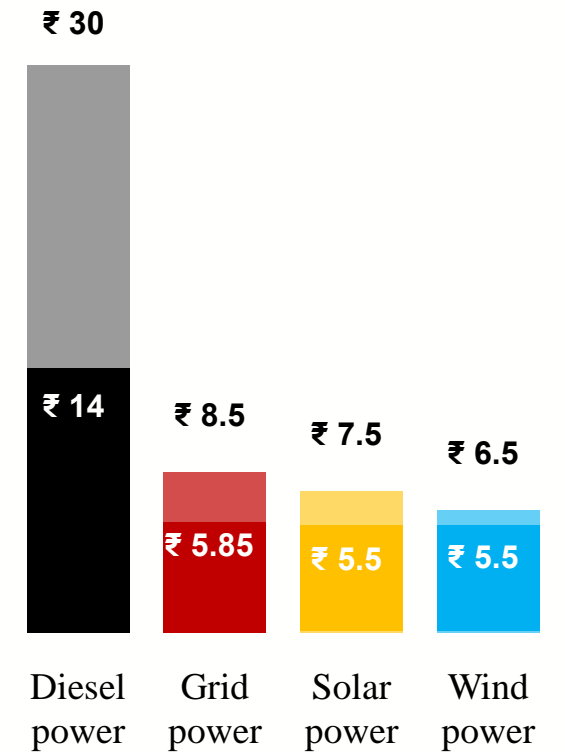
Sustainability commitments

% average annual increase in electricity tariffs (FY11-15)



- Fossil fuel based electricity prices are rising sharply and continuously
- Power deficit is a critical business risk
- Renewable energy is already cheaper or competitive with grid power and supplements/ augments it

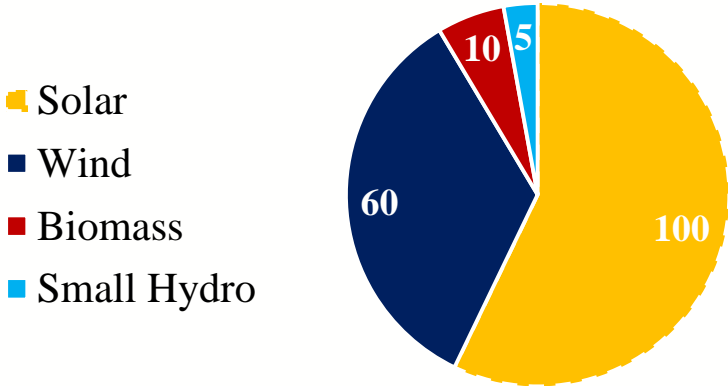
Cost per kWh of electricity from various sources in 2015



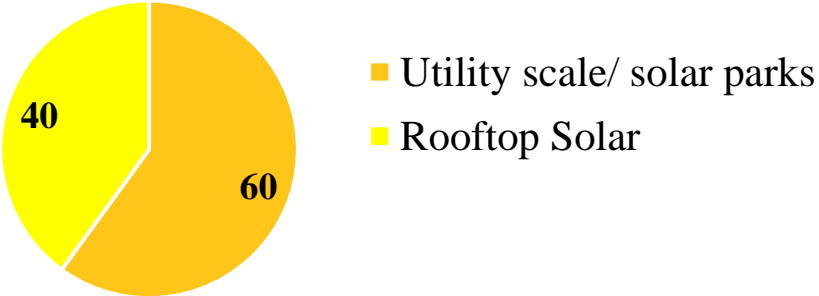
Part A: Renewable energy business landscape in India



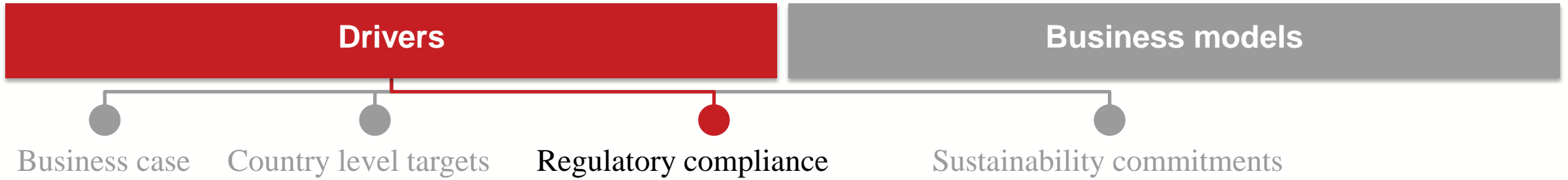
Renewable Energy Target by 2022 (GW)



Split up of solar targets

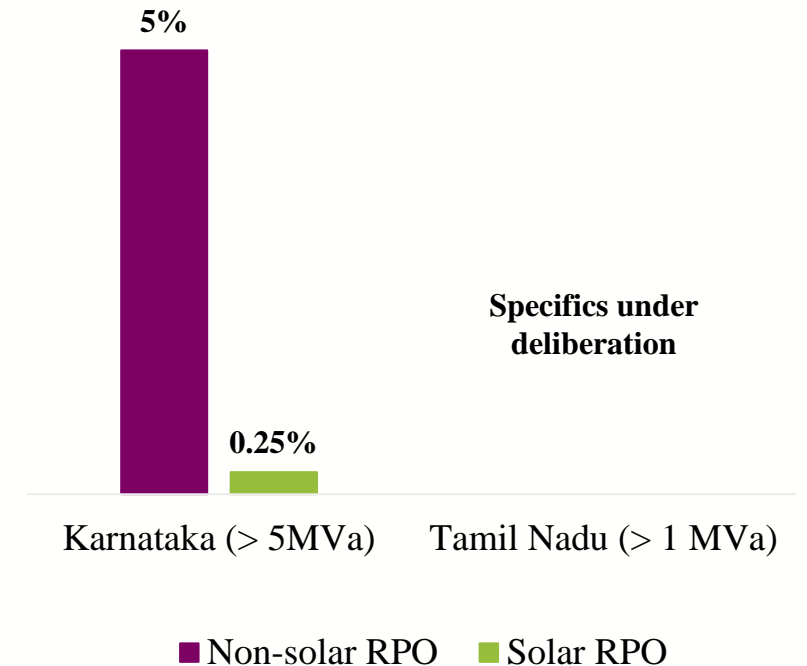


Part A: Renewable energy business landscape in India

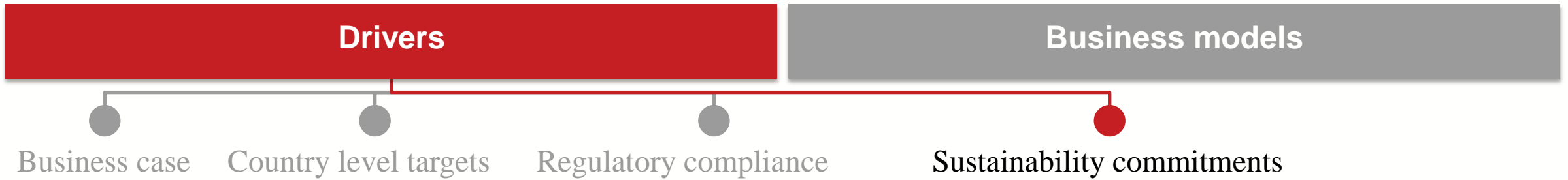


- Renewable Purchase Obligations (RPOs) mandate businesses that procure power from third parties to procure a share of such energy from renewable energy sources
- Almost all Indian states have notified penalties for RPO non-compliance
- Enforcement of penalties could soon become the norm

**Renewable Purchase Obligations
(2015-16)**



Part A: Renewable energy business landscape in India



- Consumers increasingly prefer products/ services of companies that adhere to the principles of sustainability and operate accordingly
- Reducing Green House Gas (GHG) emissions by shifting to renewable energy is proven to be an effective way of reducing impacts on the environment
- Corporates are increasingly aware of this and consider it as one of the elements of their CSR strategy. They also include this as part of their brand positing by reaching out to their consumers about their leadership in sustainability

Part A: Renewable energy business landscape in India

Drivers

Business models

Surplus capital	Capital investment	Capital investment
No surplus capital	Power Purchase Agreement	Power Purchase Agreement
	Commercial buyers	Industrial buyers

Part A: Green Power Market Development Group - India

GPMDG – India: A brief

Member companies



Green Power Market Development Group - India

Transaction support for iconic companies

Demand aggregation/ CollabSolar

Policy advocacy

Started in 2013 to replicate WRI's global renewable energy initiatives in India. 200+ MW projects in various stages



Supported industry representation in convincing Karnataka electricity regulator to waive off grid usage charges for solar projects

Part A: Green Power Market Development Group – India

GPMDG India – A brief

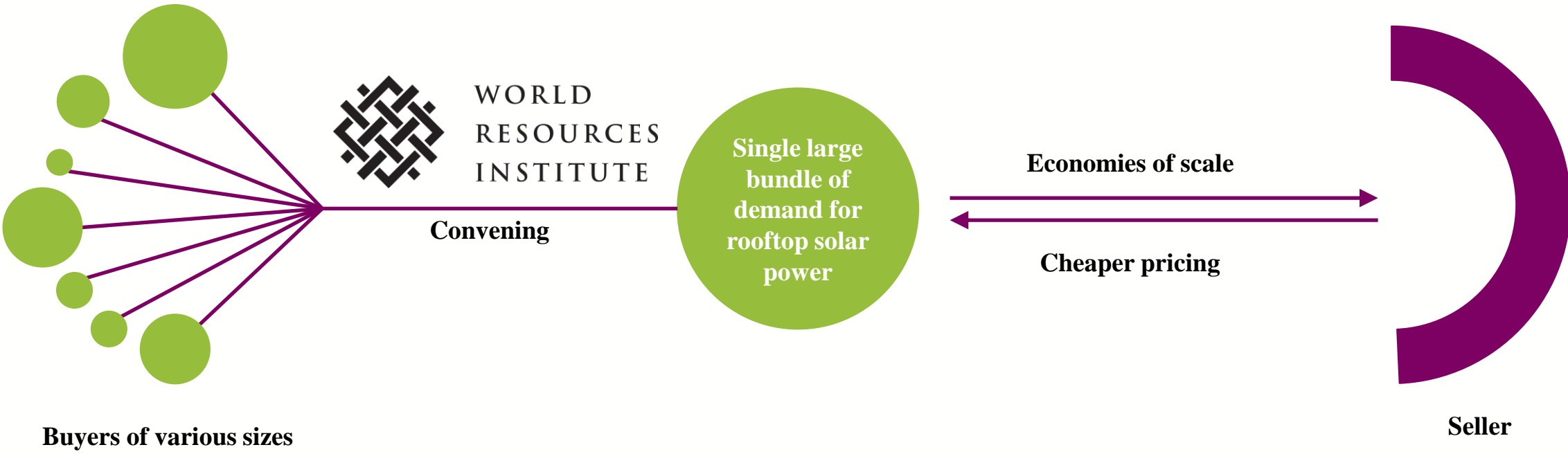
Member companies



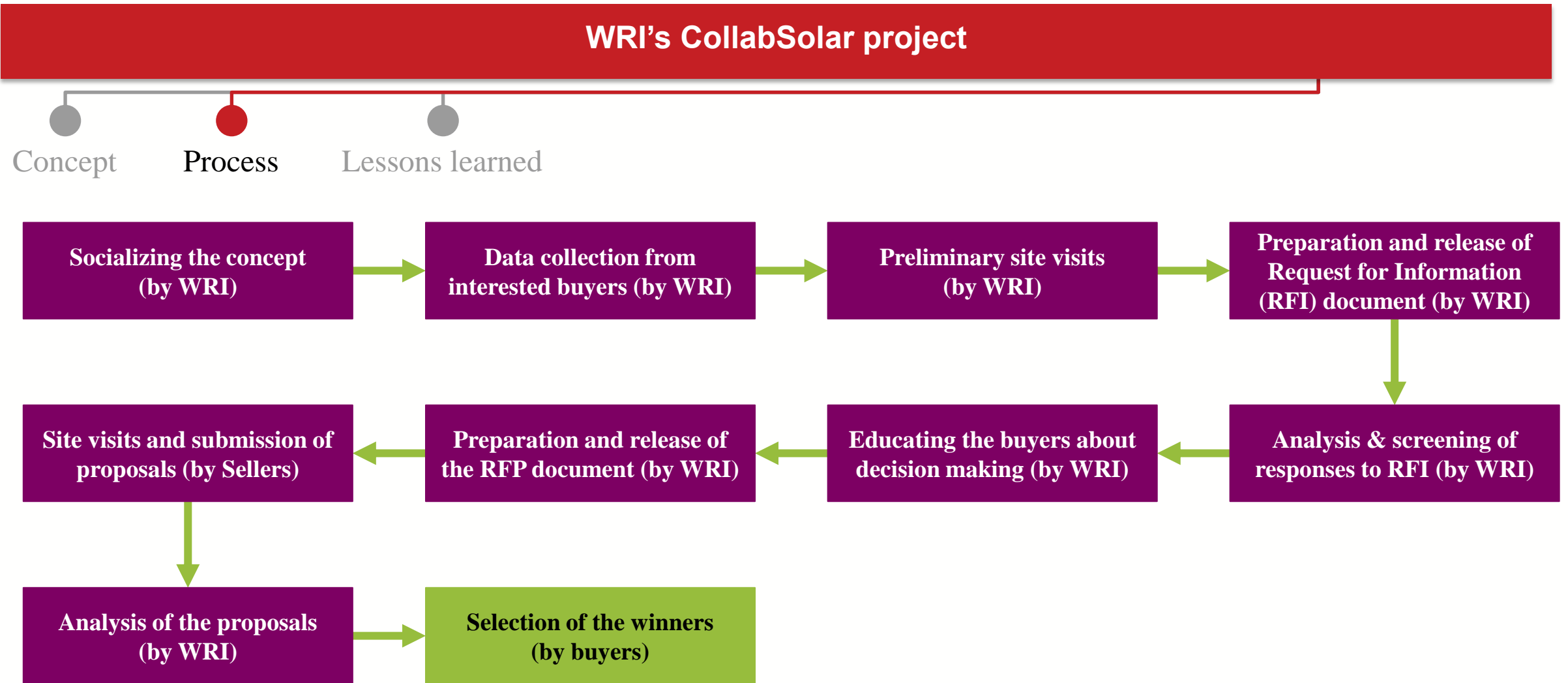
Part C: Demand aggregation for scaling up RE

WRI's CollabSolar project

- Concept
- Process
- Lessons learned



Part B: Corporate experience & WRI's perspective



Part C: Corporate experience & WRI's perspective

WRI's CollabSolar project



Aggregate bundles at industrial park level to allow for fluctuations of demand and supply

Segregate bundles using 2x2 matrix - based on nature of buyer (commercial / industrial) and preference of business model (Capital investment / PPA)

For MNCs, capital investments need changes in corporate charter and clearance from the head quarters

Addressing weekend (dynamic) demand, deemed generation & net-metering

Neither the sellers nor the buyer wants to pay for the unconsumed power over the weekends. Net-metering is possible solution in such cases.

Addressing the data collection problems

Signing Non-Disclosure Agreements (NDAs) and having detailed clauses about access/ ownership in the next phase can address most of the security concerns of buyers.

Clarify on “CollabSolar rebate” Vs “Cross subsidy within the buyers”

Sellers are expected to give an individual price to each buyer based on their credentials and offer a uniform discount that is reflective of the CollabSolar benefit.

Roof space and ownership type

In case of buyers who operate out of leased spaces, sellers are not comfortable with a third-party PPA based rooftop solar PV installation. Tripartite agreement between the seller, landlord and the buyer is a possible solution in such cases.



THANK YOU