

## Interview with K. Sreekant

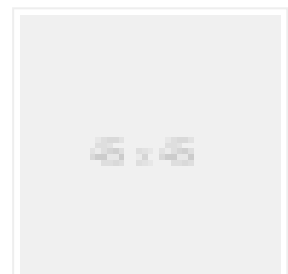
**“Powergrid is committed to embracing new technological developments”**

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India's largest power transmission company, Power Grid Corporation of India Limited (Powergrid), which has witnessed phenomenal growth in recent years, posted a steady operational and financial performance last year despite the Covid-induced challenges. In an interview with Power Line, K. Sreekant, chairman and managing director, Powergrid, spoke about the company's

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achievements and future plans, including its infrastructure investment trust (InvIT), as well as its outlook for the power transmission segment. Excerpts...

### **What has been the impact of Covid-19 on Powergrid's operations and project implementation? What has been Powergrid's response to the pandemic, and what mitigation strategies have been adopted?**

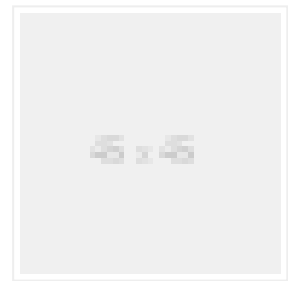
Although transmission services were exempt from the lockdown, it was quite a challenge to mobilise men and material to attend to breakdowns. Thanks to the dedicated efforts of Team Powergrid, the Powergrid ISTS network was available round the clock to provide uninterrupted transmission services to the country. In fact, our ISTS availability in the first quarter of 2020-21, at 99.83 per cent, was higher than that in the corresponding period in 2019-20. As regards the ongoing project construction activities, which were badly impacted by the lockdown, work has progressively resumed at many sites after the restrictions were eased in a phased manner, and Powergrid has been able to successfully complete a few key systems such as Pole I (1,500 MW) of the  $\pm 800$  kV HVDC Raigarh-Pugalur-Thrissur system, the 400 kV D/C Hiriyur-Mysore line, the 220/132kV ICT II at Balipara in the NER, and Koteswar-Meerut Line 1 charged at 765 kV (earlier 400 kV).

Powergrid was able to ensure grid safety and reliability, as well as the well-being and safety of its personnel, during the Covid-19 pandemic. The operations of the substations were carried out through the National Transmission Asset Management Centre/Regional Transmission Asset Management Centre and contingency plans were developed for continued operations of each substation, with identified backup teams. Drawing inspiration from the vision of the Atmanirbhar Bharat, our O&M teams have successfully carried out in-house repairs of GIS equipment at two of our substations.

### **What have been Powergrid's key operational and financial highlights over the past one year?**

The year 2019-20 has been another one of strong performance by Powergrid. Some of the key highlights of the year are:

- During 2019-20, Powergrid added 4,984 ckt. km of transmission lines, 37,987 MVA of transformation capacity and three new substations. The major assets commissioned include the  $\pm 800$  kV Champa-Kurukshetra HVDC Bipole 2, augmenting the interregional transmission capacity by 3,000 MW. This system facilitates the transfer of power between the northern region and the western region. Further, for grid integration of renewable generation, we have commissioned the 765 kV D/C Bikaner-Moga line and the 765 kV D/C Ajmer-Bikaner line along with a 765/400 kV substation, the 400 kV D/C LILLO of one circuit of the Bhadla-Bikaner line. Over the year, assets worth Rs 203.29 billion were capitalised. A capital expenditure of Rs 153.13 billion was incurred for the implementation of various projects, against a target of Rs 150 billion.

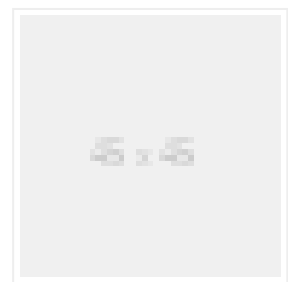


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- On the operational front, Powergrid maintained 99.82 per cent system availability with the number of trippings per line for the year contained at 0.39. The company's operational performance has been at par with that of global transmission utilities on network performance as well as cost effectiveness parameters.
- The financial performance of the company continued to be robust for the year. On a stand-alone basis, total income grew by 7.58 per cent to Rs 383.179 billion, and profit after tax (PAT) by 8.78 per cent to Rs 108.11 billion, over the corresponding amounts in financial year 2019. On a consolidated basis, the company registered a total income and PAT of Rs 386.71 billion and Rs 110.59 billion respectively.

### **What are the next steps planned for hiving off the central transmission utility (CTU) operations?**

The CTU functions are mandated by the Electricity Act, 2003 and the Central Electricity Regulatory Commission regulations, and are not commercially oriented. Today, these functions are ring-fenced within the company with a dedicated team led by a chief operating officer. The formation of a separate company is the next step, for which the Ministry of Power has constituted a committee to finalise the modalities, which are under preparation.

### **What is the growth potential of InvITs in the Indian power sector? What are the next steps planned for launching Powergrid's InvIT?**

InvITs are a relatively new asset class in the country, but they have been quite popular globally given the all-round benefits they offer. The market for InvITs is still evolving and is relatively nascent in India with only a handful of InvITs registered till date. An enabling tax and regulatory framework has been provided by the Government of India for the InvITs, and with the government impetus for the development of the infrastructure sector to spur economic growth over the long term, InvITs can emerge as an attractive investment enabler for the infrastructure sector. They can act as an efficient investment vehicle to enable long-term funding for infrastructure creation from both retail investors and global institutional funds. The Cabinet Committee on Economic Affairs (CCEA) has recently approved monetisation of the tariff-based competitive bidding (TBCB) assets of Powergrid through the InvIT route. This is a path-breaking reform, and this would be the first InvIT issue by a central public sector enterprise. Powergrid will monetise, in the first lot, assets with a gross block value of over Rs 70 billion, held in five special purpose vehicles. Various activities pertaining to the registration of the InvIT with the Securities and Exchange Board of India and offer of units are in progress, and we are keen to conclude the same within this calendar year, subject to approvals and market conditions.

### **What are Powergrid's plans with regard to scaling up electric vehicle (EV) charging infrastructure?**

Powergrid is promoting e-mobility by adopting EVs for its own use and by installing fast EV charging stations. Powergrid is currently operating such stations in five cities: Ahmedabad, Bengaluru, Delhi, Hyderabad and Kochi.

The installation of 21 more fast chargers at Ahmedabad, Delhi, Gurugram, Hyderabad, Kozhikode and Shillong is in progress. The charging stations at Shillong are being developed under the the government's Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme for e-mobility promotion. Powergrid has already carried out feasibility assessments of almost 150 locations and is expected to set up more than 100 charging points in the next one year. The company is collaborating with metro rail authorities, oil marketing companies, municipalities, discoms, etc. for the same.

### **What are some of the promising technology trends in the transmission segment?**

Digital substations, greater penetration of flexible AC transmission systems to manage the growing share of renewable energy generation, energy storage systems, and the use of data analytics and AI to increase the efficiency of grid resources will be some of the key technology trends seen in the transmission segment in the near future. Powergrid is committed to embracing and introducing new technological developments in the transmission segment and is actively working in these areas.

### **What are the key growth areas for the company going forward?**

We are witnessing two clear trends: first, an increasing share of electricity in final energy consumption and second, an increasing share of renewable energy in energy sources. Both these factors are expected to manifest into growth opportunities for power transmission in inter-state, intra-state and cross-border interconnections. The final report of the task force to draw up the National Infrastructure Pipeline envisages an investment of Rs 14,100 billion in the power sector, including Rs 1,900 billion in intra-state transmission, till financial year 2025. This will open up opportunities for investments in the transmission segment.

Towards the fulfilment of the government's target of 175 GW of renewable energy capacity by December 2022, transmission systems for the integration of 66.5 GW of renewable energy have been identified, which are being taken up for implementation in a phased manner. The government has also planned for the addition of 37 GW of renewable energy projects in Gujarat and Rajasthan, besides development of the renewable energy potential in Madhya Pradesh, Chhattisgarh, Himachal Pradesh and other states. Further, the government's is planning to unlock the solar potential in the Leh-Ladakh region. India is connected to its neighbouring countries, Nepal, Bhutan and Bangladesh, and the government has been in discussions with Myanmar and Sri Lanka for establishing interconnections with these countries. The vision of One Sun, One World, One Grid (OSOWOG) envisioned by our prime minister is aimed at enabling clean energy supply across nations. All these initiatives will open additional opportunities for the transmission segment. We also see potential for growth in energy storage systems, telecom, smart grids, etc.

### **What are the key issues and challenges for the transmission industry? What is the way forward?**

The primary challenge before the power sector is to provide 24x7 affordable power to all customers, with a focus on sustainability. The transmission segment should also engage itself in the optimisation of existing transmission resources and plan for new schemes ensuring both cost effectiveness and environment friendliness. Of course, there are some operational challenges inherent to the sector, pertaining to right-of-way constraints, land acquisition, forest clearance, and faster implementation of projects, but the key challenge is to ensure congestion-free transmission at the lowest cost.



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