

Renewable Energy

Government is one of the largest customers of Solar

We view service as an investment we are making to ensure customer continuity, says **VIVEK SUBRAMANIAM**, Founder Partner and Executive Director, Fourth Partner Energy



In the last three years, solar sector in India has taken a leap. How has Fourth Partner Energy evolved in these years and what sets it apart from its peers across India?

In the last three years Fourth Partner Energy has added more technical, innovative and financial solutions for clients. We ensure that we maximize capacity on the roofs with better quality installations, in quicker time and at the lowest cost to our clients. We have access to some of the lowest cost sources of financing for RESCO projects. Scale and size of orders are much larger, and we are currently executing one of India's largest single shed rooftop solar installation (>6 MWp). The average order size of our PPA solutions has almost doubled over the last 6 months. Further, better internal processes and more people dedicated to specific tasks also ensures better quality to the customer. We have built complete in-house expertise capable of delivering end-to-end solutions across design, engineering, construction, service, monitoring and financing. What sets Fourth Partner Energy apart from our competition would be the quality and commitment of every single Fourth Partner who engages with our customers – starting with the Sales team to the project execution



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Founder Partner and Executive Director at Fourth Partner Energy

function and finally a sustained partnership with the Service and Maintenance team through the lifecycle of the project to ensure maximum possible generation. The customer can identify with the Fourth Partner philosophy, standards and people throughout his experience.

Solar power tariffs have plunged to a new low. How do you view this development?

This is not quite so in the distributed solar segment. Our pricing is viewed in relation to the landed price of power by our customers, and we are able to save 20-70% of our customers' power cost. Of course, our tariffs have come down, but that is in line with the reduction in module prices. Sometimes we do hear of irrational pricing by some players, which is not healthy and we wish players demonstrated more maturity on this front. Most times we have walked away from contracts where the pricing is highly irrational, and have seen several cases where the same customers are still waiting for solar players to execute those contracts. Their customers have missed out on savings of between 2-5 Rs/unit (difference between solar price and grid price) in trying to secure an additional 0.25-1.0 Rs/unit discount on the pricing. A clear case of 'penny wise pound foolish'!

The ambitious target of 100 GW of solar energy by 2022 seems to be daunting task. What are the steps that can be taken to achieve the target?

Given how low the base of solar installation was, the 100 GW target was initially looked at with skepticism by the entire industry. But we are pleasantly surprised by the initiatives taken by the Government. At a policy level, there have been regular strategic interventions with periodic follow-ups at an operational level. You must note that Government itself is one of the largest customers of Solar. The Government appreciates that if there is USD 60-80 billion of investment expected to come through in the next 5-7 years, it can only happen if not just the solar story, but also the India story is presented right and there has been a lot of positivity and intent shown in various forums by the Government. India has taken a leadership role in creating the International Solar Alliance and is striving to make the solar story happen in several other countries. All of these are positive messages. At the end of the day, the migration to a fairly large solar base will not happen through Government money, but through international investors. And international investors want to see continuity and commitment to policy right from the top, down to the operating level. Can things be better? Yes. Definitely, more can be done, but I think that there has been a lot of momentum put in place and it's down to players like us to go out and make it happen.

How is Fourth Partner Energy addressing the shortage of skilled manpower in solar sector?

Many of our employees are relatively new to the sector. We hire people who are motivated, technically meticulous and want to make their mark in this sunrise industry. We then bring them up to speed with our processes/culture/ expectations.

A lot of our initial employees are from the thermal power sector, where there is a huge slowdown. Good quality professionals are keen to migrate and bring their varied skill sets to the solar industry. We spend a lot of time training our people in-house. We have weekend sessions where senior members of our team impart technical knowledge, and we also have a lot of on the job training sessions. That's the way you can create a team in an industry that is fairly new and will always be short of good quality professionals. Today, we are proud to say that our team is rated to be technically one of the best in the industry.

What are the financial solutions you provide?



We allow our customers to take a view on how they want to leverage their solar opportunities. Solar is a cost reduction opportunity that they can choose to invest in where we can help them get it financed or they can choose to buy power. We are happy to provide our customers options. Innovation in finance comes from making sure you understand the investor's and financier's concerns too. There are various types of investors with varying risk appetites and involvement requisites; we are happy to work with them and give them that alignment and comfort. So, our innovations in finance are not just with our customers but also with financiers and making sure that at the end of the day we bring as much capital on the table as possible, at the lowest cost we can, for

customers who want to use our services in sourcing capital.

How much MW project is currently under execution?

Till date we have commissioned 45 megawatts and by the end of this year we will complete about 75-80 megawatts.

How is Fourth Partner Energy contributing to the growth of solar sector in India?

To day we are a leading player with a considerable market share. We are contributing to making the India solar growth story happen. We currently have 300-350 MWp of proposals out there submitted to clients. There are active conversations we are having

with our customers. We spend time educating our clients, solar plants are engineering products, and customers should spend time to understand the nuances of the same to maximize their returns. Likewise, we spend a lot of time with financiers as well and ensuring that we mitigate their perceived risks through better contractual terms. People are our other biggest contribution. A lot of our Fourth Partners are doing some fascinating work and they and their extended families are leveraging and benefiting from this growth that we are leading on-ground. All of the above are part of our efforts to create a sustainable distributed solar industry in India!

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