



“We need to upgrade our transmission system to deliver results”

- Hartek Singh, Chairman and Managing Director, Hartek Power

How has the overall methodology of execution of projects evolved over the years?

Having executed various solar EPC projects across the country for 2 MW to 50 MW plants, we feel that world-class project management techniques are crucial to both small and large solar projects, so as to deliver timely results. The challenge lies in proactively managing the entire supply chain and ensuring that there are no missing links. Executing larger projects is a sure way of achieving the 100 GW target, but for these projects to deliver the results, we need to upgrade our transmission system, develop smart grid solutions and expedite the execution of the National Green Corridor Programme.

Can VC look at EPC as a profitable business proposition?

As is the trend these days, venture capitalists are more inclined towards investing in new business ideas and expect long-term returns on investments rather than equity. Fundamentally, the EPC business model is more about managing working capital and cash flows. It does not have much to do with Capex. This is one option that VCs looking for a steady source of income can explore. There are examples of VCs investing in businesses which eventually turned out to be bubbles. No matter how promising a venture is, sustaining the demand is a daunting task. On the other hand, demand has never been a problem with the power sector. So the EPC business does make a lot of sense for VCs who want to spread out their investments to cover certain risks.

Does solar as a sector pose difficulties for EPC players?

Not at all! In fact, the solar sector presents a plethora of opportunities for EPC companies having expertise in designing sub-stations that connect solar power to the grid. The market is quite competitive, but the way it is growing, there will always be plenty of scope for healthy competition, which will benefit the industry as well as the end users in the long run. The real challenge lies in completing the project in time. But at Hartek Power, we view every challenge as an opportunity.

What are the challenges in adapting Balance of Systems for projects in India?

Sub-stations form the core business of Hartek Power. We have completed close to 200 extra high-voltage and high-voltage sub-stations in a span of just nine years. Since it is our area of strength, we have not faced any major challenge. Specialising in in-house design and engineering, we constantly improvise and learn as we grow.

What EPC and module price developments do you expect in the months ahead?

Just as the decline in panel costs brought down tariffs, lower tariffs will act as a spur to further reduce panel costs and make solar power financially more viable. We expect that the costs of solar panels will also go down when foreign companies set up base in India and indigenous R&D efforts produce actionable results. Since sustainability holds the key to the growth of the Indian power sector, development of a healthy solar ecosystem will lead to intense competition, which can potentially turn India into a global solar superpower.

(For full interview, log on to www.SolarToday.co.in)

growing interest of buyers towards solar power procurement.”

He however cautions, “The solar market is quite challenging. With solar tariff levels dropping from 6+ levels to 4.5 levels, there is an enormous need to bring in technological improvement for driving the industry to a higher growth trajectory.”

Price developments

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Adds Nanda, “The trend on tariff is moving in favor of end-consumers. This price movement propels the need for cost optimisation across all elements of EPC, including product development, value engineering, innovative execution methodologies etc., in order to attain cost leadership.”

This in turn mandates continuous product and process development across the entire value chain which will ultimately translate into better delivery of the end product.

Project Execution

The overall EPC industry as such, and in particular, EPC in the solar space, has evolved over the years from project execution to engineering and design to adoption of more mechanised techniques, among other developments. Product and process level offerings have also been transformed.

Addressing the evolution in