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Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

NEW DELHI : Shell Plc plans to start gas-fired power generation, storage, and distribution business in India, said the head of its Indian operations, as the US energy giant seeks to tap growing electricity demand in the country.

Shell Energy India country head Nakul Raheja said in an interview that the company has been involved in power generation in the US and other countries, and has similar plans for India.

Noting that Shell has been a major player in the power market in North America and western Europe and has a significant presence in Australia, he said the company would look at opportunities to enter the power business in India.

"We've also started to build out a presence in different power markets in Asia—in Japan, in the Philippines. So, that's something, we are also building up now in Asia, and we are certainly keen to see what opportunities can be created in India," Raheja said. He did not give a time frame.

He said Shell invests in the power sector in terms of creating integrated power value chains, generation, storage, buying, selling, and supplying to end customers.

"We see very exciting opportunities in the Indian power market space as well. Gas-fired power is included in that opportunity space that looks interesting," he said.

Shell's plans come in the backdrop of India's move to privatize electricity distribution companies (discoms) in the Union territories. Further, power demand in the country is also increasing and set to rise further. The International Energy Agency (IEA) has forecast India's power demand to grow at an annual rate of 6.5% between 2022 and 2024 backed by rising consumption from residential and industrial users. India currently has about 24 GW of gas-fired power in the country.

Shell has also been looking to make aggressive bets in India's green energy space and is among the front runners to acquire Actis Llp's Indian renewable energy platform Sprng Energy.

Shell has invested in the gas and petroleum products business in India. The company recently announced plans to start retailing of liquefied natural gas (LNG) for long-haul trucks with the first filling station slated to open in Gujarat.

Raheja said the number of such LNG retail centres would be increased going ahead. "So our plan is, we're working towards trying to get our first site up and running in Gujarat by the end of this calendar year and follow that up with a handful of more sites next year."

He said the company considered entry into the retail business of LNG as it wanted to make the gas easily available for the transportation sector. "We thought, let's now invest further downstream and start making investments so that LNG can also become available as a transportation fuel. So, kind of every few months, we are trying to grow and expand our range of offerings as the market evolves. And as we begin to see kind of more opportunities emerge," said Raheja.

He said gas can help support India's ambitious renewable energy plans by balancing out the intermittency caused by renewable energy.

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