

SBI gets \$1 billion from World Bank for EVs, batteries

Utpal Bhaskar

utpal.b@livemint.com

NEW DELHI: The World Bank plans to provide a \$1 billion line of credit to the State Bank of India (SBI) to support the expansion of Battery Energy Storage Systems (BESS) and electric mobility in the country, two people aware of the development said, a move that helps India quicken its green energy transition.

The proposal aims to help attract early investments and mobilise private capital and commercial financing. The amount will be disbursed in tranches.

The line of credit will help improve air quality, reduce greenhouse gas (CHG) emissions and reduce dependence on imported fossil fuel in an unpredictable global energy market. This also comes at a time when global crude oil prices have risen after tensions escalated in the Persian Gulf.

Large battery storages or BESS can help India's electricity grids, given the intermittent nature of electricity from clean energy sources such as solar and wind. The electricity generated by solar and wind projects are stored in large batteries and supplied when required.

This assumes significance given that the government's playbook is to add 50 gigawatt (GW) of green energy capacity annually to reach 500 GW renewable capacity by 2030.

"The proposed project is under preparation and the details are being finalised," a World Bank spokesperson said in response to a *Mint* query. Queries emailed to an SBI spokesperson on Monday evening remained unanswered till press time.

According to the Central Electricity Authority (CEA), India's apex power sector planning body, India will need 27GW of grid-scale battery energy storage systems by 2030 with four hours of storage. As



The proposal aims to help attract early investments and mobilise private capital. MINT

part of its energy transition efforts, India is also focusing on the electrification of its economy by greening electricity, which involves a concerted push for green mobility, including EVs.

However, limited charging points and the high cost of EVs have deterred buyers so far, limiting adoption.

Experts say such funding by multilateral organisations are required to speed up India's green energy transition.

"India desperately needs more storage capacity to firm up renewable power output profile. However, battery storage has been slow to take off because of high cost and the lack of domestic expertise across the value chain," said Vinay Rustagi, senior director and head, renewables, Crisil.

"While the outlook is brightening up now with falling costs, improving technology and a favourable policy framework, subsidized financing from international financial institutions can provide great impetus through development of pilot projects and contractual templates," he added.

India has an installed renewable energy capacity of 180.79 GW, which includes 73.31 GW solar and 44.73 GW of wind power capacity.