SDG7 Energy Compact of Adani Transmission Limited

A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

1.1. Ambitions to achieve SDG7 by 2030. *[Please select all that apply, and make sure to state the **baseline** of each target]*
(Member States targets could be based on their NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)

☐ **7.1.** By 2030, ensure universal access to affordable, reliable, and modern energy services.	Target(s): Time frame: Baseline: Context for the ambition(s):
☒ **7.2.** By 2030, increase substantially the share of renewable energy in the global energy mix.	**Target(s):** To increase the share of renewable power procurement from the current 3% to 30% by FY2023 and 70% by FY2030 in its only B2C business subsidiary at present generating majority of its revenue from electricity generation, transmission and distribution mainly in Mumbai area. **Time frame:** 1) Two years for present 3% to move 30% 2) 70% renewable energy share by 2030 **Baseline:** By 31 March 2021, Adani Electricity Mumbai Limited (AEML), a subsidiary of ATL) had 3% renewable power procurement in its transmission energy mix **Context for the ambition(s):** ATL has centered its business strategy around the achievement of SDGs across all of its activities, with SDG 7 on Affordable and Clean Energy as the cornerstone. ATL is committed to decarbonizing production, transmission and distribution of power, in an effort to tackle climate change as well as providing access to affordable and clean energy, in line with SDG 7. ATL's role as a transmission provider and distributor of energy is also in line with SDG 11 on Sustainable Cities and Communities, as it provides resilient infrastructure and ensures access to a consistent and secure electricity for the communities. ATL's target to reduce carbon intensity of B2C business and the promotion of sustainable initiatives as well as innovative solutions also contribute to SDG 13 on Climate Action. ATL is taking action: 1. Through its subsidiary, AEML, that operates in B2C business segment will increase share of renewable energy purchase in its total energy mix from present 3% to 60% 2026-27 to distribute in Mumbai under its Green Energy initiative where customers will have a flexibility to set their own targets for renewable energy. Company will enable its customers in Mumbai with option to Choose to the source of their energy as RE, and earn Green Power Certificate. This will empower customers with choices of customized renewable energy solutions. 2. Through its various subsidiaries, ATL is developing new HVDC (High Voltage DC) transmission line to evacuate the electricity from upcoming Renewable Energy Generation Hubs in India and transmit this electricity to load centers and mega cities thereby "Connecting Renewable Pans to Consumption Areas" in India. In this line up, Mumbai Green Energy Initiative is a voluntary program for existing consumers and prospective customers of the company. Company will issue monthly certificates to such customers stating the percentage (%) of power requirement that has been sourced through renewable energy.

☐ **7.3.** By 2030, double the global rate of improvement in energy efficiency.	Target(s): Time frame: Baseline: Context for the ambition(s):
☐ **7.a.** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	Target(s): Time frame: Baseline: Context for the ambition(s):
☐ **7.b.** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support.	Target(s): Time frame: Baseline: Context for the ambition(s):

1.2. Other ambitions in support of SDG7 by 2030 and net-zero emissions by 2050. ***[Please describe below e.g., coal phase out or reforming fossil fuel subsidies etc.]***

Target(s): Reduction in GHG Emission Intensity (Scope 1 and 2)4 (measured by t CO2 divided by EBITDA5 of AEML)

Time frame: Nine years

Baseline: With the FY2019 baseline GHG Emission Intensity of 2,254 t CO2 per INR Cr, AEML intends to achieve a 40% reduction in GHG emission intensity by end of FY2025 (31 March 2025), 50% reduction by end of FY2027 (31 March 2027) and 60% reduction by end of FY2029 (31 March 2029).

Context for the ambition(s):
AEML is committed in playing an important role in the transition to a low carbon economy. Company plans to reduce its carbon footprint and achieve 30% procurement from renewable sources by FY2023. We are embracing the transition to a low-carbon economy and are moving towards our goal of becoming a leader in the transmission and distribution of reliable, clean power and improving our emission intensities. We measure intensity expressed as the carbon dioxide equivalent (CO2) per unit of economic value add using EBITDA as a metric for economic value add. This helps provide a measure of how much economic value we creates for every ton of GHG emitted. The GHG emission intensity indicator is calculated based on EBITDA rather the physical electricity generation and/or supply. One of the important factors for EBITDA is the tariff, which is regulated by the Maharashtra Electricity Regulatory Commission (MERC). The MERC or similar regulatory bodies also regulate our peers in India. The selected KPI is relevant allows benchmarking with our peers to a certain degree

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

2.1. Please add at least one key action for each of the elaborated ambition(s) from section 1. *[Please add rows as needed].*

Description of action (please specify for which ambition from Section 1)	*Start and end date*
AEML has entered into a PPA of 700 MW for hybrid power, from FY2022 onwards for 25 years. In addition, ● Application has been filled and approval received for 500 MW of additional power to be sourced through hybrid round-the-clock (RTC) PPA, where 51% PLF would have to be through renewable options. ● PPA has been signed, and purchase of such power would need working capital funding, which company has already signed up with banks. ● Regulatory approvals from concerned State Electricity Regulatory Commission has been obtained.	*01/04/2021 to 31/03/2029*
Description of action (please specify for which ambition from Section 1)	*Start and end date*

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Description of action (please specify for which ambition from Section 1)	*Start and end date*

SECTION 3: OUTCOMES

3.1. Please add at least one measurable and time-based outcome for **each** of the actions from section 2. *[Please add rows as needed].*

Outcome	*Date*
1) Attain at least 60% of renewable power procurement mix by end of FY2027	31/12/2027
2) Reduce GHG Emission Intensity (Scope 1 and 2) by 70% by end of FY2029, compared with FY2030	31/12/2030

SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for **each** of the actions in section 2.

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.
[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

☐Financing	*Description*
☐ In-Kind contribution	*Description*
☐ Technical Support	*Description*
☐ Other/Please specify	

SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

ATL plans to implement these initiatives in India only.

ATL's integrated electricity generation, transmission and distribution subsidiary i.e. AEML, provides electricity to over 3.06 million households connections with an outreach to over 12 million consumers of Mumbai.

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how **each** of the actions from section 2 impact advancing the SDGs by 2030.
[up to 500 words, please upload supporting strategy documents as needed]

The size and growth of a country's population significantly affects the demand for energy. With 1.368 billion citizens, India is ranked second, of the most populous countries as of January 2019 [31]. The yearly growth rate is 1.18% and represents almost 17.74% of the world's population. The country is expected to have more than 1.383 billion, 1.512 billion, 1.605 billion, 1.658 billion people by the end of 2020, 2030, 2040, and 2050, respectively. Each year, India adds a higher number of people to the world than any other nation and the specific population of some of the states in India is equal to the population of many countries. (Reference: https://energsustainsoc.biomedcentral.com/articles/10.1186/s13705-019-0232-1)

The growth of India's energy consumption will be the fastest among all significant economies by 2040, with coal meeting most of this demand followed by renewable energy. Renewables became the second most significant source of domestic power production, overtaking gas and then oil, by 2020. The demand for renewables in India will have a tremendous growth of 256 Mtoe in 2040 from 17 Mtoe in 2016, with an annual increase of 12%.

Even though India has achieved a fast and remarkable economic growth, energy is still scarce. Strong economic growth in India is escalating the demand for energy, and more energy sources are required to cover this demand. At the same time, due to the increasing population and environmental deterioration, the country faces the challenge of sustainable development. The gap between demand and supply of power is expected to rise in the future.

5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how **each** of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050.
[up to 500 words, please upload supporting strategy documents as needed]

As per the IEA's Net Zero by 2050, Net Zero requires steps such as halting sales of new internal combustion engine passenger cars by 2035, and phasing out all unabated coal and oil power plants by 2040. Electricity will play a key role across all sectors, from transport and buildings to industry. Electricity generation will need to reach net-zero emissions globally in 2040 and be well on its way to supplying almost half of total energy consumption. The global energy sector in 2050 should be based largely on renewables, with solar the single largest source of supply. Achieving this cleaner, healthier future will rely on a singular, unwavering focus from all governments, working closely with businesses, investors and citizens. It will also require greater international cooperation among countries, notably to ensure that developing economies have the financing and technologies they need to reach net zero in time. (Reference: https://www.iea.org/reports/net-zero-by-2050)

As electricity generation becomes progressively cleaner, electrification of areas previously dominated by fossil fuels emerges as a crucial economy-wide tool for reducing emissions. The path to net-zero emissions is narrow: staying on it requires immediate and massive deployment of all available clean and efficient energy technologies. In the net-zero emissions pathway presented in IEA report, the world economy in 2030 is some 40% larger than today but uses 7% less energy. A major worldwide push to increase energy efficiency is an essential part of these efforts, resulting in the annual rate of energy intensity improvements averaging 4% to 2030 – about three-times the average rate achieved over the last two decades. Emissions reductions from the energy sector are not limited to CO2: in our pathway, methane emissions from fossil fuel supply fall by 75% over the next ten years as a result of a global, concerted effort to deploy all available abatement measures and technologies.

SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed outcomes in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed outcomes.

ATL will publish progress on the objectives and targets as part of its annual sustainability reports and its website. https://www.adanitransmission.com/sustainability

The recent Annual Integrated Report 2020-21 is available based on GRI Core option and other ESG frameworks at its website: https://www.adanitransmission.com/-/media/Project/Transmission/Investor/documents/Annual-Report/ATL_Annual-Report_FY21.pdf

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I. 1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks? ☒Yes ☐No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? ☒Yes ☐No

I.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defied by latest global analysis and data including the outcome of the Technical Working Groups? ☒Yes ☐No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? ☒Yes ☐No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? ☒Yes ☐No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? ☒Yes ☐No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? ☒Yes ☐No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? ☒Yes ☐No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? ☒Yes ☐No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? ☒Yes ☐No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? ☒Yes ☐No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? ☒Yes ☐No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? ☒Yes ☐No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? ☒Yes ☐No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? ☒Yes ☐No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

Adani Transmission Limited

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

Adani Transmission Limited

8.3. Lead entity type

☐ Government	☐ Local/Regional Government	☐ Multilateral body /Intergovernmental Organization
☐ Non-Governmental Organization (NGO)	☐ Civil Society organization/Youth	☐ Academic Institution /Scientific Community
☒ Private Sector	☐ Philanthropic Organization	☐ Other relevant actor

8.4. Contact Information

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8.5. Please select the geographical coverage of the Energy Compact
☐Africa ☒Asia and Pacific ☐Europe ☐Latin America and Caribbean ☐North America ☐West Asia ☐Global

8.6. Please select the Energy Compact thematic focus area(s)

☒ Energy Access ☒ Energy Transition ☐ Enabling SDGs through inclusive just Energy Transitions ☐ Innovation, Technology and Data ☐ Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.

ATL is the largest private transmission company and operates more than 13,000 ckt kms of transmission lines and around 18,000 MVA of power transformation capacity. ATL has further set an ambitious target to set up 20,000 circuit km of transmission lines by 2022 by leveraging both organic and inorganic growth opportunities.

ATL firmly believes that environmentally and socially sustainable businesses are cornerstones of prosperous society. Therefore, we continuously attempt to understand the needs and aspirations of the communities around us. ATL's initiatives in areas of inclusive decision making, education, occupational health and safety, environment conservation (etc) are aligned with different indicators under 17 Sustainable Development Goals (SDGs).

We work actively with our implementation partner, Adani Foundation, on CSR programmes focused on education, community health, sustainable livelihoods and rural infrastructure development. Provision of better facilities for children in school / anaganwadi in Bhadai, Kheri Talwana, Ajwa, Saiyad Kherli villages of Gujarat / Rajasthan, construction of bus stands in Bhadai village, Mandvi, streetlight installation in Gokulpura and Piprali villages are some of our initiatives which have been appreciated by the local communities and made their lives better.

As we continue to grow, we are also ensuring that we live by our philosophy – "Growth with Goodness".

Corporate website:
https://www.adanitransmission.com/