

Our Opinion, Their Opinion

"You can't stay in your corner of the Forest waiting for others to come to you. You have to go to them sometimes."

A.A. Milne

editorial

ROLE OF GUVs BEFORE SUPREME COURT

Role of governors in BJP-ruled states has come in for some sharp criticism in recent years for what the Opposition claims is unhealthy for democracy. Governors of Kerala, Tamil Nadu, Maharashtra and Telangana have all been in the news for clashing with elected governments over issues of gubernatorial powers as laid down in the Constitution of India.

Governors and elected governments have been at log-gerheads over appointment of vice-chancellors, deviation from the text of speech provided by a government, differences over calling for floor test and summoning of a session. Sitting over bills passed by the legislature for months is another contentious issue between governors and governments in some states. Telangana's petition against the state governor Tamilisai Soundararajan for delaying her assent to bills is scheduled to come up in Supreme Court next week.

A five-judge bench of the Supreme Court is at present hearing a petition against the former Maharashtra governor BS Koshiyari for ordering floor test after Eknath Shinde led a revolt to cause the down-fall of Uddhav Thackeray-led MVA government. The bench asked some probing questions on the governor's role and made significant observations. Asking for the material on the basis of which Koshiyari called for a trust vote, Chief Justice of India DY Chandrachud said that members of a legislature party losing confidence in a leader is an internal party affair. A Governor should not precipitate the fall of a government. Uddhav Thackeray, besides chief ministers of Opposition-ruled states, would be keenly awaiting the court's verdict. Telangana's petition too would also settle a dispute which affects a government's functioning.

Venture capitalists scripted SVB's fall

It's easy to see how a whisper network of a few hundred CEOs — all convinced they have exceptional vision, all working themselves into a panic — could spiral out of control. What happened in that chat is an extension of the fundamental way these venture capitalists operate

In 2016, I started a New York-based creative agency that specialized in branded content. Among creative agencies, the trend at the time was for names that sounded like punk bands and I unfortunately chose The Insurrection. As of last week the only thing that aged worse than the name was my choice of bank: Silicon Valley Bank, which has now become the most spectacular example of a bank failure since the 2008 financial crisis. (I briefly lost access to our company's funds, but I'm fine; my deposits were low enough to be covered by F.D.I.C. guarantees.) There's plenty to say about how the bank brought this about — making risky investments, issuing communications that did more to alarm than explain. But as I hit refresh on my account balance Monday morning, I was thinking of the high-prestige venture capitalists who herded start-ups like mine to SVB. They're the reason the bank was so overloaded with risky clients, and they're also the ones who panicked at the first rumors of trouble — and advised their portfolio companies to flee, initiating the bank run that brought the whole thing tumbling down.

On Saturday, an entrepreneur named Alexander Torrenegra, who was an SVB depositor for two companies as well as his own personal accounts, explained what happened on Twitter. "Thursday, 9 AM: in one chat with 200+ tech founders (most in the Bay Area), questions about SVB start to show up," he wrote. "10 AM: some suggest getting the money out of SVB for safety. Only upside. No downside." It's easy to see how a whisper network of a few hundred C.E.O.s — all convinced they have exceptional vision, all working themselves into a panic — could spiral out of control. But what happened in that chat is an extension of the fundamental way that these venture capitalists operate, which is groupthink on a staggeringly consequential scale. Top tier firms like Andreessen Horowitz, Sequoia Capital and Kleiner Perkins subject candidates to a rigorous screening process that ensures that only the strongest founders leading the most promising businesses proceed to the next level.

Or that's what I once believed, anyway. But the screening process places significant emphasis on "culture fit," which is industry speak for whether a founder fits into the venture capital firm's full portfolio of companies and conforms to their ideas about how a founder is supposed to look and behave. A founder's ability to navigate this process is considered a good indicator of the company's success. Unfortunately for women and people of color, culture fit often boils down to being a white male engineer with a degree from an elite university. Some screening mechanisms are more subtle, like whether the V.C.s are already in your professional network,



or one or two degrees removed. The industry line is that relationships will help founders attract capital, talent, and business partners. True, but the result is a largely homogeneous and even self-reinforcing community that's difficult for outsiders to crack. It's this sort of insularity, emphasis on existing relationships, and reliance on intangible measures of competency that fueled last week's bank run. The V.C.s expect the companies in their portfolio to use approved vendors. When they come to legal counsel, that generally means tech-friendly law firms like Morrison & Foerster or Wilson Sonsini. When it comes to banks, it has meant SVB.

SVB, in turn, assessed its clients' creditworthiness in part by who their funders were. As my colleagues and I saw, an investment from a top tier V.C. could be the ticket to a package of favored services, including things like home mortgages for the founders of these start-ups.

I opened my account at SVB in 2017, when I had meetings lined up with some top tier V.C.s to raise money for a digital media company. Like everyone else who heads to Buck's of Woodside (a favored venue for early-stage deal making) with a deck and a dream, I tried to anticipate the screening mechanisms and make sure I passed. And despite the fact that I was not a first-time founder, and having worked in tech and tech adjacent companies, was decently well networked, I suspected they might regard a 40-year-old woman without an engineering degree as not quite the culture fit of their dreams. I wasn't contractually obligated to bank with SVB, but as with so many other unspoken norms, I was aware that I would be evaluated by my choices. Disaster has now struck, but I don't see any public introspection from the investment community participants who both helped create the dangerous conditions and triggered the avalanche by directing portfolio companies to withdraw en masse.

The biggest supposed geniuses of Silicon Valley could have chosen to remain calm and used their influence to work with the bank and help maintain stability in the market. When SVB disclosed its losses last week, it was in the

process of restructuring its portfolio to include treasuries with shorter-term maturities, which would have helped. It had a commitment from General Atlantic — a top tier firm itself — to help shore up its balance sheet. The bank was doing exactly what it should have done under the circumstances, and had the depositors kept their money there, it could have stabilized as the restructured portfolio became more profitable.

Instead, people panicked. The venture capitalists chose a path that would be disastrous for their industry, freezing up capital, spooking investors and reducing the favored financial institution to rubble. Then they had the temerity to go on social media and congratulate one another for their quick thinking. Upfront Ventures' Mark Suster, one of the few V.C.s who saw the potential damage of a bank run and publicly urged his colleagues to stay calm, told TechCrunch on Friday, "I'm seeing emails from VCs" to their limited partners "and they are forwarding these things like, 'Aren't I super smart?'"

The hubris of high-profile libertarians who howl for regulatory intervention ("Where is Powell? Where is Yellen? Stop this crisis NOW," Tweeted Craft Ventures' David Sacks) after previously coming out against it is all the more galling. I expect that as soon as the system stabilizes, they'll all develop amnesia and return to insisting that government intervention destroys innovation.

They are not the only people to blame of course, but no bank is built to withstand simultaneous withdrawals from all its depositors. One SVB executive told the Financial Times their biggest risk was "a very tightly knit group of investors who exhibit herd-like mentalities." The executive continued, "doesn't that sound like a bank run waiting to happen?"

I'll keep my SVB debit card as a souvenir, partly because the giant arrow logo points in the opposite direction that it's supposed to go into a card reader — an example of a design that obviously went through no user testing. It's also a reminder that successful people aren't always the best decision makers.

BY-ELIZABETH SPIERS

How the west's weak reaction to Crimea's referendum paved the way for a wider invasion

A referendum was held in Crimea on March 16 2014, when the region was under military control, to ask voters whether they wanted to be part of Russia. The official result was a 96.7 per cent vote for Russia.

At the time Crimean public buildings were held by Russian soldiers, and the military were seen across the peninsula. The Russian authorities had cited the Kosovo precedent — where Nato had intervened against the Serbs to create a protectorate over Kosovo — for the Crimean annexation. Russia had already used this rhetoric for its invasion of its neighbour Georgia in 2008.

There was little evidence that Crimea was threatened with Ukraine and in need of an international rescue mission by Russia. But Russia under Putin had expressed concern about ethnic Russians in Crimea, and talked of its history as part of the Russian nation. Russians colonised Crimea during the reign of Catherine the Great, and founded the port of Sevastopol.

There were clear differences between Crimea and Kosovo. Crimea was not facing a threat from Kyiv. Human rights violations, as observed in Kosovo, were not being reported in Crimea.

Majority approval — if such a thing happened in Crimea — is insufficient for annexation in international law. As such, there were instantly questions about the legality of the Crimean referendum and the result. Yet the example of Kosovo reappeared as justification for the 2022 invasion of Ukraine.

Judging western reaction The annexation of Crimea and Russia's narrative about why it had the right to the territory raised policy and political challenges for Europe and the wider western world. Their reaction gave Russia a particular view of what it could do without a significant international pushback, which was to have massive ramifications for wider Ukraine.

Russia gained the perception that the west was weak and could be challenged. It precipitated increased use of nationalist rhetoric. Russia also quickly sought a greater global role for itself, epitomised by the intervention in Syria.

Putin had already seen Russia as challenging the west before the annexation, but Crimea emboldened Russia. This, coupled with the limited western sanctions over Russia's role in the shooting down of the Malaysian flight MH17 and US president Barack Obama's failure to respond militarily to Bashar Al-Assad's use of chemical weapons in Syria, led to a Russian perception that it could push the west further without ramifications.

Russia learnt from the Crimea annexation. A referendum was used again in September 2022 when Russia illegally annexed four new territories from Ukraine.

How annexation began On February 27 2014, "little green men" dressed in khaki and carrying guns appeared on Ukraine's Crimean peninsula and began taking control of key military bases and the regional parliament in Simferopol. A pro-Russian government under Russian nationalist Sergei Aksyonov was quickly installed.

At the time, the Russian government said the men were "local self-defence forces". However, a year after Crimea's annexation Putin admitted that the men were Russian soldiers.

Having dissolved the regional government and set up a more malleable administration, the Russian authorities proposed holding a referendum on Crimea's status. Aksyonov said the referendum should be fast-tracked. The reason given was that there had been "disorders with firearms".

The referendum choice was changed from greater autonomy in Ukraine to including the seceding of Crimea to Russia.

What did Crimean people want? The result of 96.7 per cent of Crimean people voting to join Russia always looked suspect. There are plenty of signs that those who were involved in the March 16 referendum knew the whole thing was a farce. Igor Girkin, a former Russian army and security services officer involved in the Crimean annexation — and subsequent war in Donbas — said that the referendum was a sham.

By-Stephen Hall

How PM Narendra Modi is Leading the Way for Green Growth in India

Prime Minister Narendra Modi on February 23, 2023, addressed the first post-budget webinar on green growth saying that India has huge potential to lead the world in green energy, generate green jobs and become a leader player in the global green energy market. 13 ministries discussed six themes on green growth to chalk out a time-bound action plan for the implementation of budget announcements based on stakeholders' inputs. Over 1100 participants from industry, academia, PSUs and state governments provided inputs on the implementation plan of the Union Budget's initiatives on green growth. From the Green Hydrogen Mission to deliberations on GobarDhan (Galvanising Organic Bio-Agro Resources Dhan Scheme), the Modi government has been on a green mission on a war footing. The Green Credit programme, MISHTI and Amrit Dharohar initiatives are pathbreaking. The PM PRANAM (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) and Bhartiya Prakritik Kheti Bio-Input Resource Centres will be instrumental in these green growth initiatives. Focus on coastal shipping and waterways including vehicle replacement programmes are also in sharp focus.

India has a huge potential to lead the world in green energy and generate green jobs. The nation has already achieved the target of 40 percent contributions from non-fossil fuels in installed electricity capacity, nine years before the target date, under the aegis of PM Modi. India has also achieved the target of 10 percent ethanol blending in petrol, five months ahead of the due date, even as the nation is all set to achieve 20 percent ethanol blending in petrol by 2025-26, instead of the scheduled 2030.

Power sector is going to emerge as a major contributor to investment and growth in the country. 325 GW (gigawatts) of renewable energy capacity will be added between now and 2030. India has the lowest cost of setting up renewable capacity and its cost of 'Green Hydrogen' will be the most competitive in the world. The country will need at least 80 GW of electrolyzer capacity by 2030. It is poised to transform from a net

importer of energy to a net exporter of energy. While India is growing at 7 percent, the power demand is growing at 10 percent and hence, enough capacity in generation, transmission and distribution is being created to take care of the growing needs of the economy. A rather conservative estimate of 5 MMT has been projected for green hydrogen by 2030, which will be surpassed. Currently, 70 percent of India's electricity is generated by burning coal, but that will change going forward, with plans to produce 450 GW of power through solar power and other renewable energy sources by 2030. PM Modi's pledge for a greener future for India at COP26 in 2019 is being implemented passionately. At the COP26 climate summit in Glasgow, he pledged that by 2030, India will produce more energy through solar and other renewables than through fossil fuels.

PM Modi, at COP26 in 2021, said, "First, India will increase its non-fossil energy capacity to 500 GW. Second, by 2030, 50 percent of our energy requirements will come from renewable sources."

India's Bhadla Solar Park is the largest solar park in the world, with 2245 MW (megawatts) of commissioned solar projects. Around 10 million blue solar panels in the solar park stretch over an area of 5700 hectares in Bhadla, a village in the Jodhpur district of the arid state of Rajasthan. The area is almost the size of San Marino. Clearly, India, which has a population of around 1.4 billion, is on the frontline of climate change mitigation, globally. According to the International Energy Agency (IEA), India will have to expand its power system in the next two decades in order to meet the growing energy demands and has to tackle toxic air quality in big cities at the same time. India's green energy ambitions are an aspirational target to show the world that we are moving in the right direction. Some self-styled experts claim this ambition seems "highly unrealistic", in view of various demand and supply challenges. But with PM Modi at the helm, dreaming big and executing massive projects with razor-sharp finesse, are par for the course. Bhadla Solar park is an example of how innovation, technology, and public and private finance can result in rapid

changes. India's green energy has increased to over 100 GW, which is five times of what was generated from renewable sources a decade back. India will be able to meet its 2030 goals if the green energy sector grows at the same pace. The Modi government is also setting up a renewable park the size of Singapore in Gujarat. PM Modi also announced at COP26 that India would become carbon neutral by 2070. He said finance from rich, historic emitters is important to fulfill such emissions-cutting pledges. Addressing more than 120 leaders at COP26, Modi said, "India expects developed countries to provide climate finance of \$1 trillion at the earliest. Today, it is necessary that as we track the progress made in climate mitigation, we should also track climate finance."

The Ministry of New and Renewable Energy (MNRE) has revised and raised the renewable energy potential for India to an estimated 900 GW. Solar is seen to have the largest potential, with a revised estimate of 750 GW (taking into consideration use of 3 percent wasteland for solar installations), followed by wind with 102 GW (at 80 m mast height); the National Institute of Wind Energy (NIWE) has revised the estimate for wind power to 302 GW at 100 m mast height. The potential for small hydro and bio-energy is 20 GW and 25 GW, respectively. The Southern, Western, and Northern regions of India are expected to install more than 91 percent of the total target while the remainder is expected to be contributed by the Northeastern and Eastern regions. Maharashtra has the highest target of 22 GW, followed by Tamil Nadu with 21.5 GW.

From 57 GW in 2016-17, the total installed grid-connected renewable energy capacity reached 78 GW at the end of 2018-19. In 2018-19, RE contributed 21.8 percent of the total installed power generation capacity in the country. Of this, the share of wind was 35.6 GW (10 percent), followed by solar with 28 GW (7.9 percent), small hydro with 4.59 GW (1.29 percent), biomass and co-generation with 9 GW (2.56 percent) and waste-to-energy with 0.13 GW (0.04 percent). India added 1.5 GW wind capacity in 2018-19, taking the total installed wind

capacity to 35 GW. Maximum capacity addition is seen in the states of Tamil Nadu (8968 MW) and Gujarat (6073 MW).

With the installation of 5.7 GW solar power in 2018-19, the cumulative installed capacity of solar reached 28 GW. This was a quantum jump over the previous year. The leading solar power states in India (in terms of installed capacity year), are Karnataka, Telangana, Rajasthan, Andhra Pradesh, Tamil Nadu, Gujarat and Madhya Pradesh.

India is the world's third-largest producer of electricity having a total installed capacity of 356 GW (3,56,100 MW). Of this, around 64 percent is from thermal energy (54.60 percent from coal, 7 percent from gas and 0.2 percent from diesel), 2 percent from nuclear power, 13 percent from large hydro, and 21.8 percent from renewables (wind, solar, biomass, waste-to-energy). For the first time in 2016-17, renewable capacity addition, at 11.3 GW, exceeded that of conventional energy, and the trend continued in 2018-19 with capacity addition at 8.6 GW.

Like grid-connected RE, a major leap in installations was also seen in the off-grid sector. With the rapid decline in costs of off-grid RE systems, coupled with an increased level of awareness among the rural masses, private and self-sponsored off-grid RE system installations grew due to market economics. During the year, solar systems of capacity 244.2 MW which include solar study lamps, solar home lights, solar street lights, solar pumps, mini/micro grids and power plants installed across India.

NTPC Renewable Energy Limited (NTPC REL), a 100 percent subsidiary of NTPC, is setting up a 4750 MW renewable energy park at Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be built by the largest power producer in the country. NTPC REL has plans to generate green hydrogen on a commercial scale from this park.

As part of its green energy portfolio augmentation, NTPC Ltd, India's largest energy-integrated company, aims to build 60 GW RE capacity by 2032. Currently, the state-owned power major has an installed capacity of 66 GW across 70

power projects with an additional 18 GW under construction. Recently, NTPC has also commissioned India's largest Floating Solar of 10 MW (ac) on the reservoir of Simhadri Thermal Power Plant, Andhra Pradesh. Further, a 100 MW Floating Solar Project on the reservoir of Ramagundam Thermal Power Plant, Telangana, will also be commissioned soon. Additionally, NTPC RE Ltd has recently signed an MoU with the Union Territory of Ladakh and Ladakh Autonomous Hill Development Council (LAHDC) for the generation of green hydrogen and deployment of FCEV (fuel cell electric vehicles) buses. The signing of the MoU was also marked with the inauguration of NTPC's first solar installations in Leh in the form of solar trees and a solar carport.

India has progressively decoupled economic growth from greenhouse gas emissions. For example, the Net Zero Emissions target by 2030 by Indian Railways alone will reduce emissions by 60 million tonnes annually. Similarly, India's massive UJALA LED bulb campaign is reducing emissions by 40 million tonnes annually.

To further complement these ongoing efforts, India launched the National Hydrogen Mission to make India the world's largest hydrogen hub.

Even though it supports the second-largest population in the world, India's per capita CO2 emissions are much lower than the global average. The US emits 14.7 tonnes per capita, China emits 7.6 tonnes per capita, while India's CO2 emissions amount to 1.8 tonnes per capita.

The global power sector is undergoing an accelerated transformation due to technological innovations and response to climate change protocols. At COP21 in Paris in 2015, India committed to a 40 percent share of power generation from non-fossil fuel sources. We have achieved this target a decade ahead of the 2030 timeline, thanks to PM Modi's unassailable leadership.

Under the National Green Hydrogen Mission, India is working to achieve the target of 5 million tonnes per annum of green hydrogen production capacity by

2030, with the government allocating Rs 19,000 crore to incentivise the private sector in this segment.

PM Modi has repeatedly highlighted how using waste to create fuels has a lot of potential in India, particularly in segments like producing ethanol from farm waste and biogas from agricultural and municipal waste.

Today, the GobarDhan Yojana is an important component of India's biofuel strategy. In budget 2023, the government announced plans to set up 500 new plants under the GobarDhan Yojana. The Modi government will spend Rs 10,000 crore on these modern plants. The government has made the scrapping of old vehicles a crucial part of India's green growth strategy, with vehicle scrapping all set to become a huge market in India.

India has always shown its willingness in leadership to fight climate change. The country's vision is to achieve Net Zero Emissions by 2070, in addition to attaining the short-term targets which include:

- Increasing renewables capacity to 500 GW by 2030.
- Meeting 50 percent of energy requirements from renewables.
- Reducing cumulative emissions by one billion tonnes by 2030.
- Reducing emissions intensity of India's gross domestic product (GDP) by 45 percent by 2030.

India's experience will be valuable to other developing nations as they translate their climate pledges into actions and undertake energy transitions towards a more sustainable energy future. The budget for 2023-24 (FY24) will play a key role in establishing the country as a leading player in the global green energy market. The potential of segments like solar, wind energy, and biogas in India "is no less than any gold mine or oil field for our private sector." Apart from these three segments, PM Modi has also repeatedly highlighted investment opportunities in areas like the green hydrogen ecosystem, which includes fuel cells, electrolyzers, green steel, waste-to-energy projects, battery storage, and vehicle scrapping, among others.

India's commanding position in the renewable energy space will ensure a commensurate change in the world. India has been the fastest when it comes to renewable energy capacity addition among major economies since 2014. The country's excellent track record proves its ability to achieve objectives in the green energy space, well ahead of its schedule.

By-Sanju Verma