

“Will India hit or miss its 2022 solar target of 100 GW?”

Energetica India catches up with Indian Solar Industry's stalwarts to get their opinion on whether India will be able to achieve its target of 100 GW. The reasons provided for the opinion are quite insightful.



MR. SHASHI SHEKHAR - VICE CHAIRMAN, ACME SOLAR

India has a great solar potential and it has so far commissioned about 30 GW cumulative capacities and is rapidly increasing the capacity addition. Among all renewable energy sources, solar is surging due to its efficiency, scalability and amenability for better forecasting.

Its scalability is determined by the continued reduction in tariff, so as to economically displace variable cost of thermal power. Tariff is dependent inter alia, on price of solar panels. Solar panel cost has steadily declined therefore solar power tariff is expected to be remain low.

A large number of solar tenders floated in the last one to two years will be commissioned during 2019 and 2020. By 2020 the country is expected to have over 50-60 GW of operational solar power plants.

Further to give boost to capacity addition the MNRE is promoting 42 solar parks that will have an aggregate capacity of around 23.40 GW. Viability of land and power evacuations are two main constraints in setting up of solar parks. To address these issues, a new mode (Mode-7) has

been introduced in the Solar Park scheme, allowing Solar Energy Corporation of India (SECI) to act as the Solar Power Park Developer. Solar Park provides a plug & play kind of facility to solar power developers. Such enabling facilities would facilitate to achieve vision set by Government of India.

NTPC, SECI and some states are regularly inviting tenders for procuring solar power. These tender will further help country to achieve the target.

The government is sincerely promoting rooftop solar and KUSUM that will also add to the existing capacity.

Land availability, transmission facilities are some of the constraints which are being resolved by the government which expected to create a favourable environment for rapid solar power addition.

Considering the above, **“The country seems to be on the track to comfortably achieve the target of 100 GW of solar capacity by 2022”**.



MR. HARTEK SINGH - FOUNDER AND GROUP CMD, HARTEK GROUP

Solar energy presents a great opportunity for developing countries to phase out fossil fuels and its growing expenses while transforming the country with industrial, social, and

economic growth powered by sustainable energy. The future of solar energy in India largely depends on achieving the ambitious solar power generation target of 100 GW by

2022. With the cumulative solar capacity going up to 36.36 GW, as on June 30, 2019, the market sentiment is upbeat because of the record number of installations.

Though there is a transitory slowdown owing to certain economic policy decisions like imposition of GST and safeguard duty, which have led to uncertainty over emerging tariffs, but the fallouts can be serious if we do not act with a sense of urgency to address the problems confronting the solar industry.

The growth of the solar sector witnessed a slowdown in tender and auction activity last year. However, the impact of policies like safeguard duty, which was initially thought to be of great help to the domestic industry, eventually presented huge hurdles for the growth of the Indian solar industry.

Renewables account for a sizeable share of the power capacity additions, highlighting the significant investment flowing into the solar sector in particular. No wonder, India has emerged as the third largest solar market globally. But we still have a long way to go to become a global solar superpower like China and US.

To achieve the 100-GW target, India needs heavy investment in coming years. A major part of it has to be raised within the country, as the renewable sector could so far only attract a foreign direct investment (FDI) worth \$7.5 billion in the last 18 years (2000-2018), according to a report by the India Brand Equity Foundation.

The solar sector can accelerate its growth by focusing on manufacturing and supporting domestic solar panel manufacturing industry with sizeable investments. This will help India scale greater heights like China, which penetrated foreign markets by undercutting their market prices. By working overtime on its solar panel manufacturing capacity, China was able to support its own solarisation, ring in revenues from exports and create jobs. India needs to follow a similar roadmap.

We need to pick up on the domestic manufacturing front. Various efforts by SECI to attract bids for the development of the inter-state transmission system for solar power evacuation have gone in vain. Solar power generation has to be in sync with the growth in transmission capacities owing

to evacuation challenges, otherwise we may be in for a slowdown.

Though rooftop solar is the fastest growing renewable energy segment in India, the installation capacities must rapidly increase if the nation is to meet its ambitious renewable energy target by 2022. Conducive policies, financial support and consumer awareness should form our focus of attention.

Around 70 per cent of the market growth in rooftop solar is driven by commercial and industrial consumers. The residential segment is lagging owing to lack of policy initiatives. The 20-40 per cent financial subsidy for new residential rooftop solar installations should accelerate the pace of growth. But India needs a more comprehensive approach in order to achieve the 2022 target.

The industry needs to be steered in the right direction to take us closer to the 100-GW goal. We need integrated energy planning, favourable policies and investments across the value chain. Release of RTC tenders and incentives for OA charges are critical. RTC supply is one alternative to ensure predictability in supply, thereby ensuring grid stability and offtake guarantee by discoms under all circumstances.

While on one hand we need to promote solar projects based on domestic manufacturing capacities to make ourselves self-sufficient, the Central and state governments should take care not to put the auction process on hold in the expectation of a further drop in prices. We also directly need a universal anti-dumping policy and incentives to instil confidence in Indian companies. Investing in domestic manufacturing can help build the supply chain, control prices and earn foreign exchange through exports. It will also create jobs, enhance the country's GDP and correct the adverse balance of payments.

India should leverage its position in the 121-nation International Solar Alliance by assuming a leadership role to make way for greater growth through favourable policies and coordinated efforts. As a global solar superpower in the making, we ought to wrest this initiative.

In the absence of a proactive approach driven by all these factors, the 100-GW target will continue to elude us.