

Renewable Energy Monitor

Jan - March 2019

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Policy/ Regulations

Centre to revive 23 GW solar and transmission projects in Leh region. The Centre plans to set up 23 GW of grid-connected projects in the region. Private developers would be invited to submit tenders for these. Their transmission network would be extended till Punjab, a distance of about 850 km. The government had tried to set up a 7.5 GW solar project in the past, but the plan never saw the light of day.

The government has listed 5 GW project in Leh in its list of ultra-mega solar project across country. In the phase 1 of the current plan, the Centre is looking to put up 2.5 GW projects in Kargil and 5 GW projects in Leh for tenders.

State utilities asked to issue solar, wind energy tenders. MNRE (Ministry of new and renewable energy) has asked state utilities to issue solar and wind energy tenders, instead of depending on central utilities for meeting their renewable energy needs. The ministry has noted that most states are falling behind their RPO targets, or the share of clean energy in their electricity purchase. Against a target of 17% share as RPO during 2018-19, countrywide achievement during April-September in 2018 has been around 10.6%. This will help the state in adding generation capacity at financially competitive rates as compared to the marginal cost of power from fossil fuel-based thermal power capacity addition. The capacity bid by states will be additional to the bids likely to be issued by central PSUs.

Centre drops plan to install 12 GW solar capacity through NTPC. The government has dropped its plan to install 12 GW of solar capacity out of total 15 GW envisaged through state-owned NTPC as solar tariff dipped recently. Earlier, the government had planned to install 15 GW of solar energy capacity through NTPC, which was to be bundled with thermal power supply to specific states. The power company has already completed auction of 3 GW capacity out of which 2.75 GW is installed and 0.25 GW is under construction. Power and New & Renewable Energy Minister Mr R K Singh said since the solar power price has fallen recently, it is not proposed to take up Tranche II (5 GW) and III (7 GW).

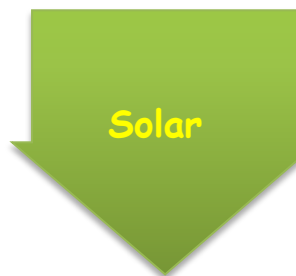
Gujarat frames land policy for green energy projects. Gujarat has released its land policy for renewable energy projects, which seeks to set up wind parks and wind-solar hybrid parks in the state, similar to solar parks. Such parks will be a first by any Indian state. The new policy is a welcome development for wind developers who want to set up their projects in Gujarat. Land had lately been a bone of contention between them and the Gujarat government, with the latter reluctant to lease land for wind projects auctioned by central agencies like the SECI, while

providing such land for similar projects sanctioned by the state agency, GUVNL (Gujarat Urja Vikas Nigam Ltd).

Cabinet approves Phase II of rooftop solar programme. The Cabinet Committee on Economic Affairs approved Phase-II of the [Grid Connected Rooftop Solar Programme](#) that aims to achieve a cumulative capacity of 40,000 MW from rooftop solar projects by 2022. The programme will be implemented with a total central financial support of Rs 11,814 crore. The Phase II programme provides for central financial assistance (for residential rooftop solar installations) up to 40% for rooftop systems up to 3 KW and 20% for those with a capacity of 3-10 KW. The second phase will also focus on increasing the involvement of the distribution companies.

Karnataka High Court offers relief to renewable energy companies. The Karnataka High Court has quashed the state regulator's order imposing retrospective charges related to transmission on renewable energy developers. The developers had challenged a May 2018 order of the KERC ([Karnataka Electricity Regulatory Commission](#)) that imposed retrospective 'wheeling and banking' charges on wind, hydel and solar projects commissioned from October 2013, January 2015 and March 2017. The order applied to projects involved in 'open access' transmission or those selling power to corporate entities. The developers said KERC asked them to pay 5% of their tariff as wheeling and banking charges despite an assurance that such charges would not be levied on projects commissioned before March 2018.

[Business Standard, 1 December 2018](#) | [The Economic Times, 10 December 2018](#) | [Business Standard, 13 December 2018](#) | [The Economic Times, 28 January 2019](#) | [The Hindu, 19 February 2019](#) | [The Economic Times, 17 March 2019](#)



Safeguard duty fails to help local solar cell manufacturers. The 25% safeguard duty imposed on imported solar components, meant to support domestic manufacturers, has not done cell producers any good, although module makers have fared better. With safeguard duty, the cost of an imported solar cell is about 12 cents. Indian manufacturers are being forced to sell at that price, too, though their input cost is 13.5 cents per cell. About 90% of panels and modules used in Indian solar projects are imported because they are cheaper.

The safeguard duty was levied by the Directorate General of Trade Remedies, acting on a complaint by local manufacturers that imported equipment was causing their business "serious injury" and they were unable to compete with Chinese and Malaysian rivals on price.

Commissioning time brought down for solar power projects. The government has reduced the time allowed for commissioning and financial closure of solar power projects, a move that could accelerate the pace of renewable energy capacity addition in the country. This, however, could be a concern for project developers as pressure of acquisition of land and availability of transmission infrastructure continues to mount. In amendments to the tariff-based competitive bidding guidelines for solar projects, the MNRE said the timeline for commissioning of solar projects in a solar park and outside of it will be 15 and 18 months, respectively, against the previous timeline of 21 and 24 months.

Green companies continue to bid aggressively for solar projects. Renewable energy firms are continuing with aggressive bids for solar projects, with the winners in the latest auction including Finland's Fortum and US-based Acme quoting a tariff of Rs 2.48 per unit. Palimarwar Solar House

also quoted the same tariff to win 40 MW, while Acme Solar won 250 MW of the 750 MW auctioned by SECI Fortum won 250 MW, while UPC won 100 MW. Sumant Sinha-led ReNew Power won 110 MW at Rs 2.49 per unit. In this non-solar park auction, projects have to be built in Rajasthan within 18 months. This tariff is lower than the auction conducted by SECI earlier this week where the lowest winning tariff was Rs 2.55 per unit

Green energy: solar power accounts for 50% capacity addition in 2018. Solar power for the first time in India made over 50% power capacity addition in 2018 although GST, safeguard duty, and land and transmission issues took a toll on large-scale power installation to whose effect the overall Indian solar market was down 15.5% in FY18, according to [Mercom India Research's](#) newly published report. The Indian solar market installed 8,263 MW in FY18 compared to 9,782 MW in FY17. But rooftop solar had a good year, growing 66% year-on-year.

States to get sops under solar park scheme 2.0. The Centre has introduced a financial incentive for states and tweaked its policy to address two major issues plaguing solar park developers shortage of land and lack of transmission facility. States will earn Rs 0.02 for every unit of power produced at the solar parks, irrespective of where it is supplied, according to a letter to the principal secretaries of all states from the ministry of new and renewable energy. The letter is also addressed to the managing director of the SECI and solar park developers. This is expected to ease the problem of acquiring revenue or private land for projects auctioned by SECI, nodal agency for conducting wind and solar auctions.

Govt to set ball rolling for 1 GW solar power in NE. SECI is well set to issue a tender for 1,000 MW solar photovoltaic capacity to be developed in the picturesque mountainous terrain of the North-East. The ceiling tariff could be set at Rs 3 per kilowatt for the solar project covering the states of Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Tripura, Nagaland and Assam. These solar PV projects will be developed under JNNSM Phase-II Batch-IV. By these guidelines, a ceiling tariff of Rs 3 (\$0.042)/ KWH, with a maximum VGF of Rs 10 million (\$0.14 million) per MW has been set for this tender. The minimum project capacity at a single location will be 5 MW. The request for selection RfS will be made available online on or after March 20.

GAIL, BHEL tie up for development of solar power projects. Maharatna public sector units GAIL India Ltd and BHEL have inked a memorandum of understanding for cooperation in the development of solar power projects. This will help them leverage their competitive strengths to build a substantial portfolio of solar power projects in line with India's intended nationally determined contributions under the [United Nations Framework Convention on Climate Change](#). India has set a target to achieve 100 GW of solar power by 2022 so that all citizens can have round-the-clock access to uninterrupted electricity.

[The Economic Times](#), 3 January 2019 | [The Economic Times](#), 10 January 2019 | [The Economic Times](#), 2 March 2019 | [The Financial Express](#), 3 March 2019 | [The Economic Times](#), 10 March 2019 | [Asian Age](#), 5 March 2019 | [Business Standard](#), 30 March 2019



Wind

APTEL stays Tamil Nadu wind auction temporarily. Renewable energy developers have been opposing ceiling tariffs at auctions for projects ever since they began, but government agencies conducting the auctions, keen to keep tariffs low, have been adamant about imposing them. The IWTMA ([Indian Wind Turbine Manufacturers Association](#)) has finally taken the first

step to oppose such tariffs, by petitioning the [Appellate Tribunal for Electricity](#) (APTEL) and getting a stay order. In April 2018, Tamil Nadu's power regulator, TNERA ([Tamil Nadu Electricity Regulatory Authority](#)) set a feed in tariff for wind power of Rs 2.80 per unit.

State power regulators continue to set feed in tariffs for wind projects, depending on various factors such as speed, intensity of wind etc, but state agencies conducting auctions have lately been ignoring them, preferring to hold auctions and thereby get a still lower tariff.

Only 30% of wind capacity commissioned due to unviable bids, policy delay. Of the around 2943 MW capacity of wind power that was bid out in 2017, less than 30 per cent has been commissioned so far. Industry officials point out unviable bidding and delay in formulation in Gujarat's new land policy has contributed to the slow implementation. Of the 2943 MW capacity was bid out through SECI, Gujarat and Tamil Nadu, data sourced from industry sources shows around 825 MW has been commissioned so far. The slow execution in turn has left the original equipment manufacturers industry with 10 per cent utilization and revenue loss.

Wind energy is so cheap in India that companies can't afford new projects. India got the world's attention for its record-low tariff rates while also attracting companies from around the globe. The tariff rates for renewable power are affordable for consumers but not for the companies that will generate it. The number of new projects will slow down further and remain low for another five years, according to [CRISIL](#) as the business still needs high capital investment. The current capital costs of Rs 6.8-7.2 crore per MW makes the business unviable for the companies. The reticence caused by high cost and low realisation is already visible. According to reports, less than 30% of the 2,493 megawatt capacity of wind power that was bid out in 2017 has been commissioned.

India issues 7th national wind energy tender, offers 1.2 GW. The Solar Energy Corporation of India, a central government agency tasked with organizing all national-level solar and wind energy auctions, has issued the seventh tender to allocate wind energy projects of a cumulative capacity of 1.2 GW across the country. The specifications of the tender would very likely be the same as the ones issued over the last few months. SECI recently completed an auction for 1.2 GW of capacity in February. The auction was the first organized in fourth months. SECI had issues with sticking to the original timelines to hold auctions after developers raised concerns over availability of adequate transmission capacity to support new and large onshore wind projects.

[The Economic Times, 12 February 2019](#) | [Business Standard, 2 March 2019](#) | [Business Insider, 7 March 2019](#) | [Clean Technica, 22 March 2019](#)