



# PRESS CLIPPING

## VIKRAM SOLAR

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**NORMS EASED TO PROMOTE LOCAL MANUFACTURING**

## Govt to Hold Separate Auctions for Solar Projects Using Desi Modules

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**New Delhi:** The Ministry of New and Renewable Energy has decided to hold separate auctions for solar projects using domestically manufactured modules to help local producers of panels that can tap the sun's energy. For some auctions, the ministry is also dropping a requirement for panel makers to source locally made solar cells.

"The first of these, a 500 MW tender for solar projects using only locally produced modules, is going to be announced soon," said Tarun Kapoor, joint secretary in the ministry.

Although auctions of projects with only domestic equipment have been held earlier, they always required solar module producers to source locally made solar cells. In some future auctions, this norm will not apply. Such projects will help boost the sales of local module manufacturers since solar developers winning projects in India prefer to import equipment from China and Thailand, which are 8-10% cheaper due to economies of scale and technologically superior.

"We are very pleased with the develop-



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ment," said Gyanesh Chaudhury, CEO of Vikram Solar, a leading module manufacturer. India's capacity for producing solar modules is 5,620 MW annually, while that of solar cells is 1,212 MW.

The second phase of the Jawaharlal Nehru National Solar Mission (JNNSM), begun in late 2012, had mandated that "developing domestic manufacturing capacity across the value chain is one of the thrust areas." While India's solar energy programme is expanding towards a tar-

get of 100,000 MW by 2022, its solar manufacturing has lagged behind.

To help local manufacturing, some tenders floated by the ministry's solar energy arm, Solar Energy Corporation of India, have specified that only domestically made solar cells and modules should be used. The reserve tariff for such projects has always been higher than those for projects using imported equipment, and they were also entitled to higher subsidy.

The effort to encourage local solar manufacturing has drawn the ire of the US, which complained to the WTO against India for not providing a level playing field for local and global manufacturers. The WTO has twice ruled against India, which has gone in appeal.

"The domestic content requirement component in our solar programme will remain," said Kapoor.

The ministry provides a 30% subsidy for installation of rooftop solar plants by non-commercial entities such as residential buildings, schools and hospitals. To further encourage domestic manufacturing, it has decided that only those using local modules will be entitled to the subsidy. It is also encouraging the use of domestic equipment by PSUs and defence establishments setting up solar projects.

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