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Your guide to Renewable Energy

Industry Update ► National Solar Mission

'Increase energy access for the poor'

Q What have been the achievements of JNNSM so far? And what do you think are the stumbling blocks as it approaches the completion of Phase I?

When the Mission began in 2010, India had less than 20 MW of grid-connected solar power. By August 2012, the country had crossed 1 gigawatt (GW), including projects commissioned under the Mission as well as those under state-specific missions. While there has been progress, for the Mission to be able to catalyse the solar industry in India from 2013 onwards, attention must be paid to three key priorities: (1) Creating a financing ecosystem for solar projects, (2) Rigorous due diligence before project selection combined with continuous monitoring of project construction and operation to ensure that the grid is receiving and transmitting electricity; and (3) Encouraging R&D in solar technologies and developing a robust manufacturing base in India.

Q JNNSM has an ambitious target of 20 GW. Do you think India can achieve the target while battling several shortcomings at multiple levels as pointed in the status report?

So long as the above-mentioned steps are taken, we should be able to meet the 20 GW target and even exceed it. Creating a financial ecosystem where different institutions (from RBI to public sector banks to

private and foreign banks, multilateral agencies, and others) have defined roles and offer particular types of financial products (the figure in our report will give more information). For grid-connected projects, it is also necessary that a roadmap is developed for extending the grid and building electricity sub-stations, so that developers and financiers are certain that they would be able to evacuate the power.

Q Rooftop solar has a huge potential in India, some say. But not many states have such projects installed. What comes in the way of the widespread acceptance of rooftop solar?

We haven't done extensive analysis on this, so I would reserve my comments on this question for now.

Q The JNNSM status report terms off-grid solar a 'largely missed opportunity' and 'ripe for investment'. Besides, JNNSM targets 1000 MW off-grid solar by 2017. At this juncture, why is the report focused on grid-connected solar (as mentioned in the Introduction section, page 3)?

We focused on grid-connected solar power because that was the dominant set of targets under the NSM during Phase 1 and we wanted to conduct an in depth analysis of whether the main targets under the Mission were being met. This is not to say that off-grid projects are not important. In fact,

they are absolutely central to India's efforts at increasing energy access and decarbonising its electricity infrastructure. We are working on analysing and evaluating several different business models for off-grid renewable electricity in India and will share our results when they are ready.

Q Domestic Content Requirement (DCR) is an important but contentious issue in the execution of JNNSM, often dubbed by many industry players as a dampener rather than an encouragement. Do you think it gives a protectionist image of the Indian government to the world?

DCR is controversial but it is important to understand the purpose behind the policies. In India, the number one priority is and ought to be increasing energy access for the poor. A strong domestic manufacturing base combined with R&D activities at home could potentially support this objective. The DCR requirements do not discriminate between foreign and domestic firms; instead they are meant to attract foreign firms to establish manufacturing facilities in India. The protectionist tag will stick if we use DCR to primarily push for exports. It will be illegal under the WTO and would divert attention from the priority of increasing energy access at home. Subsidies and government support measures matter, but their purpose matters more.

(As told to Sayantani De)



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