

SOLAR POWER PRODUCERS SEEK PRIORITY SECTOR STATUS, 'MAKE IN INDIA' PUSH

JANUARY 14, 2015

THE HINDU BUSINESS LINE

Solar power producers seek priority sector status, 'Make in India' push

India aims to have 100 GW of installed solar capacity by 2022; it currently has 3,500 MW

V RISHI KUMAR

Hyderabad, January 13

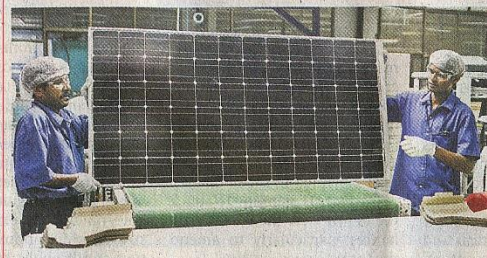
Solar power sector players are waiting for changes in Centre's policy such as treating it as a priority sector and encouraging domestic content under the 'Make in India' policy to accelerate the pace of implementation of solar farms.

After about four years of the Centre's push, India has barely 3,500 MW of solar power generation capacity. India had a target of achieving 20 giga watt (GW) installed capacity by 2020, but

this was revised to 100 GW by 2022.

"If this target has to be achieved, we need to implement at least 15,000 MW to 20,000 MW every year. This would require Centre's support in terms of policy," Narendra Surana, President of Indian Solar Power Producers Association, said.

He told *BusinessLine* that the association has written separate letters to the Prime Minister, Finance Minister and Power Minister ahead of the Budget preparation seeking their intervention



Employees prepare a solar panel for packaging at the Tata Power Solar Systems manufacturing plant in Bengaluru. BLOOMBERG

in providing impetus by addressing the solar power sector's issues. If solar power generation is declared upriority sector lend-

ing, the rate of interest would come down by 2-3 per cent to about 10 per cent, like for home and other loans. Such a move

would make solar plants bankable and accelerate the project implementation and growth of the sector. If the Reserve Bank of India instructs bankers to treat solar projects under priority sector, the interest will come down from 13-13.5 per cent to 10 per cent, he said.

Referring to procurement, the association is keen that the modules be procured from manufacturers in India.

Once this is done, the manufacturing capacity of 5,000 MW created in the country will be utilised. Apart from job creation, this would encourage foreign companies to set up module facilities in the country.