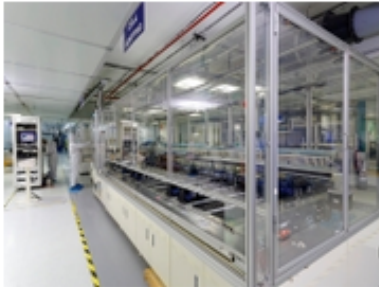


INDIAN PV MANUFACTURING INSUFFICIENT TO MEET GOVERNMENT AMBITION – REPORT

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Indian PV manufacturing insufficient to meet government ambition - report



The new government has made it clear that domestic manufacturing capacity is not enough to meet its solar ambitions. Image: Tata Power Solar.

The latest India Solar Compass report concludes that a “very clear message” has emerged: domestic manufacturing capacity is not enough with the government keen to rollout substantial generation capacity now.

The [India Solar Compass](#) is produced by Solar analyst firm, Bridge to India, which interviewed leading industry figures and liaised with government officials to produce the report.

As the new government sets out ambitious solar plans, it's not willing to wait for domestic manufacturing to grow before increasing the size of the solar market, the report says.

Instead the government aims to increase the solar market, while aiding domestic manufacturing with domestic content requirements (DCR), and also encouraging companies such as the National Thermal Power Corporation (NTPC) to invest in domestic solar projects.

Industry leaders predict 1.4GW will be installed over the next year, while Bridge to India predicts 1.6GW, with US\$1.9 billion in investment.

A surge of new installations is expected in the first quarter of 2015.

There is 2GW currently in development from state-wide initiatives and National Solar Mission policy.

As the [newly elected pro-solar government](#) spurs enthusiasm and anti-dumping measures have been taken off the table, current trends show most installed solar capacity comes from state legislation, then the NSM.

NSM is to be revamped from its current 9GW in two phases, which is behind schedule. The new framework is to match the government's term, to realise ambitions of 5-7GW of new solar installed a year.

Bridge to India speculate a 15GW by 2019 solar target for central government is to be split into three phases, starting with three 1GW 'mega' solar parks, with projects able to begin development this month.

The second phase of the new NSM is likely to also be 5GW, and able to move away from 'bundling' – a mechanism intertwining solar units with thermal power units to level out costs.

The third phase is predicted to be 7GW, with no incentives required – providing land and transmission infrastructure is provided to developers. It is hoped this plan will create a beneficial cycle of investment in larger solar projects.

The issue of land acquisition and capital accessibility is top of the agenda.

While the national government is focused on large-scale solar, it is expected states will continue distributed solar initiatives such as net metering, and formulating local industry standards. This approach is to ensure a balance of central and decentralised solar energy options as "distributed has far too many benefits to be left behind", such as job creation, the report states.

First Solar and Trina Solar are leading module providers, despite a shaky year following anti-dumping investigations.

Waaree, Vikram Solar and ReneSola have emerged as the leaders in domestic module supplies.

Ray Powers Infra was identified as the leading player for third party engineering, procurement and construction (EPC) in India.

The report also found thin-film modules, be they Chinese or US First Solar modules, have dropped in price by about 10% over the last year, while central inverter prices have fallen 11%.