

# Indian Solar Industry Divided as US Moves WTO Against JNNSM

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While solar cell cos support govt backing for industry, project developers favour import of cheaper cells

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The recent case by the US government in WTO against the Jawaharlal Nehru National Solar Mission (JNNSM) has created rift in the Indian solar industry.

While the solar cell manufacturers stand by the government's decision to back the industry, the power project developers are in chorus with the exporters and foreign cells makers citing decreasing cost of solar power as the reason to import cheap cells.

"The case is not justified as this is a government procurement programme and

WTO guidelines don't cover that. Apart from that, more than 80% of the projected demand is there for imported content," said Ajay Goel, chief executive officer, Tata Power Solar.

The US government filed a case in WTO for the second time against JNNSM on Monday. It has argued that the mission underlines compulsion for the power developers to use locally made equipments.

"This is the US pushing its agenda to protect its domestic industry. Government of India is doing the same and is absolutely right in doing so. We do not think it will have any impact whatsoever," said Vivek Chaturvedi, chief marketing officer, Moser Baer.

US had already filed a case in 2012 against the domestic content requirement guidelines of the first phase of the solar mission. According to the guidelines, solar power project developers were supposed to source 30% of the required equipment from domestic manufacturers. When the US and some Indian

project developers condemned this, the government gave equal shares of projects under second phase for development from domestic and foreign content.

Despite the open category at their disposal, the US solar industry and government have alleged that it will hurt their export market.

"The domestic content requirements restrict our entitlement and in the specific example of the JNNSM- Phase 2 this creates a 50% restriction of the specific demand that was originally intended from this programme," said spokesperson of First Solar, US major manufacturer of solar cells and the exporter to India.

"Indian solar industry is new and use archaic technology. Imports are cheaper and of better quality. In case of imports coming from the US, finance is also provided. Any developer looking for low solar power cost would opt for imports. This is in the larger benefit of the nation," said one of the India's largest power producers requesting anonymity.