

'Solar PV industry clouded by dumping'

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The solar photovoltaic (PV) industry is passing through a phase of consolidation. It faces delays in regulatory clearances on one side and bankability issues on the other.

Ajay Goel, Chief Executive Officer of Tata Power Solar, spoke to *Business Line* on the difficulties faced by the sector and how it is heading to grid parity. **Excerpts:**

How do you read the solar PV industry in the backdrop of a global slowdown and falling prices?

INTERVIEW

The solar industry can be categorised into upstream silicon materials and silicon wafer, midstream solar cells and solar photovoltaic modules and downstream (solar photovoltaic system) sectors.

The industry is facing a major slowdown in the manufacturing segment. Falling prices and a global slowdown have led to widespread dumping, impacting the domestic manufacturing sector negatively.

Global overcapacity and absence of stringent duties are a major concern for domestic manufacturers. Thus, imposing duties or mandating domestic content is extreme-



ly critical for the survival of the Indian solar manufacturing industry.

Do you see an acceleration of solar PV installations in the country?

Installed PV capacity in India has reached 1.41 GW in the quarter ending March '13, according to *India Solar Compass* (a report by Bridge to India, a solar consulting company). It is about 1.8 GW now. Key drivers for the sector are the Jawaharlal Nehru National Solar Mission (NSM) and various State-led initiatives.

In addition to the NSM, Tamil Nadu, Gujarat, Andhra Pradesh and Uttar Pradesh have come up with policies to provide a framework for growth. Kerala and Punjab too have initiated moves. The Renewable Purchase Obligations (RPO) and Renewable Energy Certificates (RECs) are one of the most viable op-

► *Imposing duties or mandating domestic content is extremely critical for the survival of the industry.*

Ajay Goel, CEO, Tata Power Solar

tions for encouraging solar adoption in India.

Indian manufacturers have been demanding domestic content and anti-dumping duties which, if taken into effect, will tremendously lift the manufacturing sector.

Do you see grid parity coming through in the near future?

While the cost of producing solar power has been coming down drastically, achieving grid parity depends on several other factors.

Commercial and industrial consumers in India are amongst the early solar power adopters as achieving parity for them is comparatively easier. Bridge to India's analysis (April 2013) states that solar power is already cheaper than grid power for commercial consumers in Maharashtra, Delhi and Kerala (even without the subsidy).

Commercial consumers in other States can also reduce their energy costs if they go through the subsidy route.

Achieving grid parity for utility takes the most time as tariffs for residential consumers are up to 20 per cent lower

than industrial tariffs. If we accelerate the scale of deployment, source low-cost project financing and provide better power evacuation infrastructure, we can expect to reach grid parity in about 4-5 years from now.

Domestic manufacturers are faced with poor demand due to dumping. What is your assessment?

Competitive pressure from foreign module manufacturers, particularly from China, and excess supply in the equipment market have had a significant impact on the domestic manufacturing business. An anti-dumping investigation against these low-cost imports is currently in progress, and the government needs to issue a preliminary tariff ruling at the earliest to provide desperately-needed relief to the ailing manufacturing industry.

If the Government fails to check these rising imports, the entire manufacturing industry might face the risk of becoming dependent on imports in the long run, thus, risking our energy security.

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