

Labour shortage hinders growth of rooftop solar projects

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Updated on June 28, 2020 Published on June 28, 2020



Even after easing of lockdown, rooftop solar projects in India are affected by labour shortage and reduced working capital.

A Pune-based developer faced a double whammy of labour shortage and closure of project sites as industries in Maharashtra continue to struggle to return back to normalcy. “There is labour shortage and many project sites are yet to open,” said the developer.

A Bengaluru-based rooftop solar developer echoed similar views. “In the various phases of lockdown across the country since March 23, our projects got impacted as labour moved away to their native places,” he said. This developer has 90 projects which involves setting up and maintenance of rooftop-based solar systems for small industries and residential houses in southern India.

Typically, rooftop solar requires maintenance work such as cleaning of solar panels once every 15-30 days to ensure energy efficiency. Larger rooftop solar companies also are facing problems.

“We have faced some shortages and as the PV module cleaning happens every 2-3 weeks,” said Kuldeep Jain, Founder and Managing Director, CleanMax, which has around 500 rooftop projects across the country.

Getting the workforce

Tata Power Solar, which has installed capacity of 10,763 MW all over the country, did not see a challenge as it ring-fenced people in the locations where they work. “While the movement has been hampered, people are in the vicinity of the plant,” said Ashish Khanna, MD & CEO, Tata Power Solar and President, Tata Power (Renewables).

While most of the labour workforce are around villages near these project sites, companies are finding it difficult to get them back to work. “The labour pool availability has reduced as people are scared of contracting Covid-19,” said Sesha Prasanna, MD of Bengaluru-based Espee Solar.

After businesses started resuming after the lockdown, things have not been smooth. “Companies faced initial challenges moving the labour to the construction sites due to issues related to travel, public transport as well as local quarantine rules,” stated Gagan Vermani, Founder and CEO, MYSUN.

Projects miss date

About Rs. 16,000 crore worth solar projects, adding up to a total capacity of 3,000 MW, could be at risk for missing their respective scheduled commercial operation date (SCOD), according to a Crisil report. This puts at risk around 3GW of solar projects auctioned between July and August 2018, which need to meet their SCODs by July 2020.

The labour shortage has also increased costs, thereby putting a strain on working capital. Saket Suri, owner at Nagpur-based JK Powerguard, a solar products distributor, is of the view that companies are facing payment delays and higher working capital, which is putting severe stress in project execution.

Some companies are taking the help of technology to address a part of the problem. “For questions such as are the panels generating power right now, is the battery charging, we use technology,” said Jain.

On April 21, the Ministry of New and Renewable Energy (MNRE) gave all renewable projects which are in the pipeline a deadline extension. This extension is for the period of lockdown plus additional 30 days for normalisation, for which they will not have to submit any evidence or proofs for examination.