

Economy

Solar rooftop installations crank up 78%; higher growth in TN & Kerala

Avinash Nair Updated - May 21, 2024 at 04:55 PM.

Installation of solar rooftops in India witnessed a 78 per cent spike in the last one year, with capacities crossing the 12 GW mark in April, 2024.

Currently, Gujarat is leading the **states**, with over 3,455 MW of installed solar rooftop capacity, followed by Maharashtra (2,071 MW), and Rajasthan (1,154 MW). In the last one year, between April, 2023 to March, 2024 - the solar rooftop installed capacity in the country, increased from 6.645 MW to 11.869 MW. More than 56 per cent of these capacities are in Gujarat, Maharashtra and Rajasthan. The fastest growth in the solar rooftop installations can be seen in southern states like Tamil Nadu (599 MW), and Kerala (675 MW), where, the installed capacities grew by 55 per cent and 53 per cent, respectively.

After the Union Government announced the PM Surya Muft Bijli Yojana, in February, 2024, and targeted to install solar rooftops on 10 million homes, the installations of solar rooftop systems, has been lacklustre and is expected to pick up only after the results of the Lok Sabha elections are announced. Compared to an average 400 MW of solar rooftop installations every month, only 144 MW of capacity, was added across the country in the month of April, 2024. Though this 144 MW of capacity helped India's solar rooftop capacity cross the 12,000 MW, most of the installations have remained restricted to Gujarat, (51MW), Rajasthan (38 MW), and Tamil Nadu (23 MW).

"The scheme targeting solar rooftops for 10 million households, has a lot of potential for us manufacturers. Because of this scheme, 25-50 GW of the market becomes available. We believe that the scheme will pick up once the elections conclude, and there is more clarity with regard to the subsidies," said Vinay Thadani, director of Grew Energy Pvt Ltd, the solar energy arm of Gujarat-based Chiripal Group.

Eyeing the prospects in solar rooftops and solar parks, Grew Energy recently translocated its proposed ₹4,500 crore solar module manufacturing unit to Jammu from Gujarat. Few days ago, the company conducted ground-breaking for its facility at Kathua, where, a manufacturing unit for 3.2 GW of high-efficiency solar modules and 2.8 GW of ingots, wafers, and cells, annually, will be built.

"The initial plan was to set up the project in Dholera in Ahmedabad. But then we selected Jammu, as there is a huge government support, for setting up solar parks in Ladakh and Uttar Pradesh. We have a time-line committed to the central government under the PLI scheme, and so we did not want to delay it any further," Thadani told businessline. The project is expected to be commissioned by the first quarter of 2025-26.

The official said that the project in Jammu, is also meant to satiate the demand arising from solar rooftops that are expected to be set up under the PM Surya Ghar Muft Bijili Yojana. "We will also be catering to the demand for solar rooftops. In these kinds of schemes (solar rooftop schemes), you need to procure a module that is manufactured in India. It is only for DCR Solar Modules and those with Domestic Content Requirement, that the government will provide subsidies. Any person setting up a cell fab or a backward integration, is expected to benefit," said Thadani about his company's plans.

Grew Energy, is currently importing most of the solar cells, needed for its facility in Jaipur from China. The Jammu project is expected to help it not only to cut down on imports, but also focus on the domestic demand, especially in states like Uttar Pradesh (265 MW of solar rooftops), and Jammu and Kashmir (37 MW), where, the solar rooftop installations are less.

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Pointing out that the government's rooftop solar subsidy scheme presents a USD 1 billion opportunity for Tata Power Renewable Energy Ltd, Deepesh Nanda, MD & CEO of the company said southern states with high solar irradiation like Tamil Nadu, Andhra Pradesh, Karnataka and Telengana, along with western states like Maharashtra and Madhva Pradesh are well-positioned to excel.

"States like Maharashtra and Uttar Pradesh are expected to emerge as frontrunners and surpass strongholds like Gujarat and Rajasthan. Maharashtra, with its sizable power consumer base and escalating energy demands, presents a promising market for rooftop solar systems. Similarly, Uttar Pradesh, boasting a significant rural and semi-urban population, harbors immense potential for solar energy adoption, particularly in households witnessing a surge in electricity consumption due to the widespread use of various appliances. Keeping all these factors at the forefront, Tata Power Renewable Energy Limited plans to double its network of channel partners from over 500 to 1,000 across 450 cities, facilitating the widespread adoption of rooftop solar units," Nanda added.

In Gujarat alone, over 5.1 lakh households, have installed solarrooftops, and these systems have generated more than 5,200 million units of solar power. The Gujarat government is also trying to attract solar system manufacturers to the state. "There is a huge gap between solar cell capacities that exists in India. Today we have 5 GW of capacity for manufacturing solar cells in India, while the solar module manufacturing capacity is 45 GW," said, a state government official pointing out how India is largely dependent on China for procuring the systems needed for solar rooftops.