



# Wind Needs a Bigger Boost

HARNESSING 300 GW OF WIND ENERGY POTENTIAL REQUIRES BIG MEASURES, BUT THE OUTCOME WILL REWRITE INDIA'S RENEWABLE ENERGY PLAYBOOK.

BY J.P. CHALASANI

**T**he future of renewable energy (RE) sector in India is promising as it already accounts for nearly 21 per cent of the country's total installed capacity. Renewables will play a critical role as they help ensure long-term energy security and optimum utilisation of the existing grid infrastructure. As part of the Paris Climate Agreement, India must produce 40 per cent of its installed capacity from non-fossil fuel sources by 2030, and this commitment has further accelerated the RE growth.

Over the past three years, the installed capacity of RE has more than doubled, from 32 GW to 72 GW, mainly driven by over 34 GW of wind power. Although the transition from the feed-in tariff (FiT) regime to competitive bidding in February 2017 led to a temporary lull in capacity addition, it also resulted in wind power becoming one of the cheapest energy sources. Today, it is mostly driven by economic realities, improved reliability and cost competitiveness backed by proven technology.

Distribution companies are also showing interest as it is a viable model at current tariffs, an average of ₹2.60-2.70, while other conventional energy sources are no longer competitive or viable.

Under the new bidding regime, 9.9 GW of capacity has already been auctioned, and another 7 GW could be bid out by March 2019. During the transition from FiT to competitive bidding, there had been delays, leading to a reduction in basket size. Also, project execution time has increased from nine to 18 months, and hence, FY2018/19 may not see huge commissioning volumes and may witness temporary delay in realisations. But in spite of these transition challenges, the long-term outlook is extremely positive with exponential growth expected in the next two-three years.

In addition, the government has announced an offshore target of 5 GW by 2022 and 30 GW by 2030. The Ministry of New and Renewable Energy has also called for Expression of Interest for the first offshore project of 1 GW and

it has received an overwhelming response. However, a lot more will have to be done to exploit the full potential of the wind sector.

Here are seven key measures that can boost wind power in India:

- **Availability of land and transmission grid** for power evacuation should be ensured across states. As of now, most wind energy projects are concentrated in Gujarat and Tamil Nadu.
- **State governments should invest in advance** based on available resources. A better Centre-State synergy will ensure faster roll-out and commissioning of projects handling both power evacuation infrastructure and land allocation.
- **Sub-station-wise auctions may help.** Bidders can quote tariffs based on wind speeds at sites that connect to a sub-station. It will become more pertinent as the newly discovered tariffs are only viable in wind-rich states of Tamil Nadu and Gujarat.
- **The FiT regime** should continue for projects below 25 MW. It will help SMEs secure energy in the long term.
- **To achieve the overall RE target and 60 GW in wind** by 2022, banks and financial institutions should earmark long-term, large-scale funding.
- **Export incentives** should be raised from 2 per cent to 6 per cent until 2022.
- **Massive wind energy** potential should be unlocked by leveraging Make in India.

Finally, innovation and technology will continue to be the growth catalyst, right from the digitisation of services to smart grids, towers and blade technologies. At Suzlon, our R&D efforts have helped increase power production and reduced the levelised energy cost by 50 per cent in the last five years. Therefore, previously unviable sites have become viable, overcoming the limitation of site scarcity.

Wind energy is slated to be one of the key drivers of the energy sector and will help RE go a long way towards addressing the climate change issue. We need to harness 300 GW of wind energy potential in India and seize the opportunity now to ensure sustainable, affordable and reliable energy for all. **BT**

*The writer is Group CEO, Suzlon*

## 60

GW

India's wind energy target for 2022