MNRE to drop reverse bidding, to invide bids for 8 GW annually

LOSING STEAM. Renewable sector reports 26 per cent shortfall in 175 GW target

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In a big relief to the wind power industry, the Union Ministry of New Renewable Energy has proposed to revise the auction process for wind energy projects and has planned to invite bids for 8 GW capacity annually till 2030.

The past 5-6 years have been a challenging phase for the Indian wind energy sector that could add only modest capacity as a result of the shift to the reverse auction process.

WINDS OF CHANGE. The new bidding norms are expected to cheer up the wind power industry, which has been waiting for a change in the auction process

STATE-SPECIFIC BIDS

In the reverse bidding process which is PLF-driven, majority of the bids went to only two States. So, wind energy players couldn't utilise the potential in all windy States. The late Chairman of Suzlon, Tulsi Tanti, had said that the reversed bidding process limited the wind power capacity addition to 1.5 GW a year, from 10 GW plus per year. "In order to ensure that wind energy capacity comes up in all eight windy States, every bid will be a composite bid comprising of State-specific sub-bids. The power generated from capacity established in each of the State sub-bids will be pooled and offered at pooled tariff to all procurers. The pooling of tariff will be as per the notified Electricity (Amendment) Rules, 2022," said an MNRE notification.

SECI (Solar Energy Corporation of India) will issue bids of cumulative capacity of about 8 GW each year up to 2030, making 56GW of auctioned capacity in all.

MNRE said it has decided to change the norms based on the recommendations of the Committee, which was formed to examine proposals for enabling faster capacity addition in the wind power sector. The new norms are expected to cheer up the wind power industry, which has been waiting for a change in the auction process.

DEFICIT PRODUCTION

Meanwhile, India's total renewable energy capacity, excluding the large hydro segment, has reported a deficit of 26 per cent against the capacity target of 175 GW to be achieved by the end of 2022.

In 2022, the sector added its highest-ever annual capacity of 16 GW, taking the total capacity to 129 GW as of December 31, 2022. The solar segment (all categories put together) contributed about 14 GW in 2022, while wind power added 1.8 GW, slightly higher compared with 1.46 GW in 2021.

Utility-scale solar segment added a new capacity of about 11.3 GW in 2022, an increase of 47 per cent. Roof-top solar's new addition stood at about 1.9 GW, down 42 per cent compared with 2021 installations.