



TULSI TANTI

THE WINDS OF PROSPERITY

RENEWABLE ENERGY (RE) has become pivotal to the movement against the risks of climate change. India's commitment at COP21 to reduce carbon emissions by 33-35 per cent and increase share of renewables to 40 per cent of the energy mix by 2030, will truly expand the country's RE portfolio. The government target of 175GW by 2022, including 60GW wind energy, is closer to becoming a reality propelled by technology and conducive policy environment for renewables.

Looking Back At 2016

With 28.5GW, India attained 4th position in global wind power installed capacity. We now have to achieve 31.5GW by 2022 i.e., 5,000MW annually. I am confident the wind sector can deliver the 60GW target. In FY16, India recorded its highest wind energy installation with 3,415MW. Wind and solar energy capacity combined exceeded hydro capacity and now these are second only to coal-based capacities. In FY17, the industry is expected to grow over 30 per cent and surpass all previous records of installations.

The government's thrust on renewables was supported by policy actions such as the approval on the repowering policy, the draft on wind-solar hybrid and revised RPO trajectory in 2016. Further, policy impetus included 1GW under inter-state transmission scheme across various states and investments in Green Energy Corridor project. In Budget 2016, the coal cess was doubled to Rs 400/tonne, thereby, pushing towards the target of 175GW renewable.

The government's commitment to improve grid infrastructure also reflected in the proposed additional depreciation on plant and machinery acquired and installed for transmission activity.

Way Forward

In 2017, to maintain momentum proactive policy recommendations should be ensured:

- Accelerated depreciation and generation-based incentive should continue till 2022
- Banks and financial institutions should earmark at least 20 per cent finance for RE projects and provide finance for long periods of 20-25 years
- SMEs should get 5 per cent interest rebate for harnessing RE

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- Improved availability of grid and land infrastructure at state level

- GST for RE should be pegged at zero rate, since electricity is not subsumed under the proposed GST framework

- Support manufacturing to increase capabilities, facilitate job creation and meet the 'Make in India' initiative. Wind manufacturing capacities are created in India, while solar is imported from China. Incentives for local manufacturing and job creation in the sector should be considered.

- Implement the EXIM practices of China and USA that give a line of credit of \$1 billion and \$2 billion respectively, in case of exports by local companies.

In India, EXIM offering is limited to \$200 million per year. RBI should remove the 10 per cent limit imposed on one company and infuse \$5 billion fresh equity to EXIM.

Technology to Lead The Way

In 2017, innovation and technology will continue to be the catalyst for the wind industry growth. Disruptive technologies such as the wind-solar hybrid, digitisation of services, smart-grids, innovation in tower and blade technologies are aimed towards making unviable wind sites available, and ensuring better yield and capacity utilisation.

R&D efforts in the wind sector are also focusing on developing longer, light-weight blades to make energy harnessing more efficient.

Wind in India can enable the transition from fossil fuel dominated energy architecture. We need to harness the 300GW wind energy potential in India and seize this opportunity now to ensure sustainable, affordable and reliable energy for all. **BW**



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