India to become major wind energy hub: Tanti

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Falling tariff is not the only trend that renewable energy is witnessing. Suzlon, the domestic market leader in wind equipment manufacturing, expects global vendors to come to India to tap 60 gigawatts (Gw) of additional wind capacity that the government is aiming to achieve by 2020.

In an interview with *Business Standard*, Tulsi Tanti, chairman and managing director, Suzlon, said, "India will be a large hub for wind manufacturing in five years on the strength of its domestic demand. It will be like China that has a 20 Gw domestic solar market and, therefore, promoted manufacturing in their country. Now, the global market is dominated by four Chinese companies."

Solar equipment manufacturing, however, is unlikely to pick up in India as Chinese imports are more cost-effective, Tanti said. "Unless a solar manufacturer comes in the entire value chain of production, right from polysilicon, it is not likely to work out," he added.

Tanti does not see any need for incentives for wind equipment manufacturers, except for exports. "The government should give five per cent of an exporter's logistics cost as incentive. The propelling factors include coming up of faster bidding by nine wind potential states. They are estimated to bid out 600-800 Mw each. Another 6-Gw capacity in the current year is likely to be bid out by the central government for non-wind potential states to enable them to meet their renewable purchase obligation. Besides, 10 GW will come up in the captive market, while 50 GW will be through investment by financial institutions," he said.

He said that instead of incentivising manufacturers or developers, state distribution companies that meet their renewable purchase obligation (RPO) norms should be given performance-based incentive. It could be 50 paise per unit (kilowatt hour). "This could be funded from the clean energy cess," he said.

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TULSI TANTI
Chairman & managing director, Suzlon

Asked for his views on the Union government's plan to compensate states for revenue shortfall on account of the goods and services tax (GST) through the clean energy cess, he said the corpus was large enough to meet the need for performance- based incentive, compensation to states and also the special requirements of coal-bearing states. The corpus roughly has ₹54,000 crore currently.

Tanti said he did not see the tariffs for solar or wind going down further unless the interest rates come down.

On his company's debt situation, he said they had been able to bring down their debt level by $1 billion through the conversion of foreign currency convertible bonds (FCCB).

Suzlon also announced its wind turbine of hub height of 120 metre and 2.1 MW capacity achieved 42 per cent plant load factor (PLF) in its first 12 months of operation at the Jamanwada site in Gujarat's Kutch district. The prototype was commissioned in March 2016.

The PLF is 20 per cent higher than what was achieved by another turbine in its first 12 months at the same location.