

# In turbine manufacturing, wind blowing the India way

## Suzlon chief says auction of capacities to 'non-windy' States is a game-changer

**M RAMESH**

Chennai, May 4

India will soon be the global manufacturing hub for wind turbines, just as China is for solar panels today, feels Tulsii Tanti, Chairman and Managing Director, Suzlon Energy.

In a chat with *BusinessLine* on the sidelines of Windergy 2017, an international conference of the wind industry organised in New Delhi by the Indian Wind Turbine Manufacturers' Association last week, Tanti said that the position of 'global manufacturing hub for the wind industry' is today "vacant". China has not been able to break into the global market, but India is well positioned to do so,



Tulsii Tanti, CMD, Suzlon Energy

he said. He believes that because of the assured market, which is thanks to government-sponsored auction of capacities, the supply chain for the manufacture of wind turbines is expanding, leading to cost reduction

### Growing demand

Tanti's optimism was palpable both in the conversation with *BusinessLine* as well as in his

speech at the conference. The doyen of the wind industry reckons that the government's auctioning of capacities to sell the power to non-windy States has been a game-changer.

He believes that the demand from the non-windy States (to meet their renewable purchase obligation) will call for setting up 30 GW of wind power capacity in the country, over the next five years.

Demand from windy States, public sector undertakings and 'captive customers' (who put up wind power plants and consume the electricity themselves), will bring in another 30 GW of market. Even allowing for slippage, Tanti sees the Indian market for 40-50 GW over the next five years.

"Vendors have clear visibility, so they find sense in putting up factories. Because of scale and the fact that they manufacture locally, they are able to reduce

prices," he said. He gave the example of ZF, the German company that produces gearboxes, which dropped prices by 15 per cent in the last two years.

A supply chain vibrant enough to cater to a 10-GW per year market can easily export, Tanti said. He noted that some turbine manufacturers were shutting shop in the developed West and putting up plants in India, from where they could cater to all market.

Tanti, however, expects support from the government to make India a 10-GW market. First, he wants State-wise capacity auctions (as opposed to the one that happened in February, where developers were free to set up plants anywhere in the country).

Absence of State-wise auctions could lead to problems such as concentration of wind farms in a few States, leading to increase in land prices, logistics costs and, consequently, price of power.

Second, he wants the Centre to incentivise State governments by giving a 'performance-based incentive', a certain number of paise for every kWhr of wind energy they purchase.

He said that the wind industry was mature enough not to want government support (the generation-based incentive expired on March 31), but the State governments could be supported financially to buy green energy.

### No pressure on manufacturers

Asked if turbine manufacturers, such as Suzlon, saw their margins under pressure consequent to the fall in wind tariffs, Tanti said that the drop in margins was compensated by increase in volumes.

He said that typically a wind turbine manufacturer will break-even at the first GW of sales, and beyond that profits will start flowing.