



SOLAR POWER DEVELOPERS ASSOCIATION

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Sub: Suggestions for promoting efficient PV module manufacturing in India.

Dear Dr Mishra,

Greetings from Solar Power Developers Association.

SPDA appreciates and commends your leadership in driving India's renewable energy program. Despite the challenges posed by COVID-19, the impact on renewable energy remained limited, largely due to the Government's proactive efforts. The industry welcomes the Government's efforts to drive the budget in the direction of economic reforms with a focus to promote and encourage the growth of businesses, industries and manufacturing in India. The industry has complete confidence in resolving the challenges and bottlenecks for the timely achievement of capacity addition targets for renewable energy.

SPDA commends the Production Linked Incentive (PLI) scheme for achieving the ambition of '**Atmanirbhar Bharat**'. However, the Government of India should be cautious from falling into the trap of compensating for 'disabilities' due to the lack of a level playing field with Global competitors for setting up PV manufacturing in India. It may be noted here that poly-silicon module technology is increasingly being deployed by Indian manufacturers, however, the technology is getting phased out in other parts of the world and getting replaced by more efficient technologies like Mono-PERC, HJT etc. Instead, the Government should focus on incentivising downstream manufacturing of ingots/wafer/cells to be addressed as a strategic priority before polysilicon refining capacity can be localized. **Hence, it is requested that the PLI scheme keeps a sharp focus on promotion of only latest and futuristic technologies.**

Furthermore, the Govt. can consider encouraging further technological development through R&D by running separate schemes like the '**Top Runner program**' in China for next generation technologies such as Perovskites, Tandem etc. Under such program, a certain quota of bid capacities can be allocated to the development of mature technology with a higher/special incentive to accelerate R&D in this sphere. This could leap-frog the country to technology and cost leadership in the PV supply chain as opposed to the current scenario wherein China dominates globally.

It may be noteworthy to mention here that new entrants/manufacturers in Solar PV manufacturing will be required to overcome multiple hoops of 'Ease of doing business' such as land acquisition, labor laws, lack of vendor base to meet the market demand, setting up of backward linkages with integrated R&D etc. **Creating a separate incentive scheme for attracting investment in Ancillary services like Glass, EVA, back-Sheet, Junction box etc. will provide manufacturers the option of sourcing quality raw materials domestically at competitive prices.** Dedicated support shall help to rapidly scale capacity to match downstream capacity addition. Only if these pre-requisites are met, India will be able to unlock the huge opportunity. We, therefore, believe that

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the current financial outlay for the PLI scheme of Rs. 4,500 Crore needs to be revisited by **increasing the capital outlay to achieve scale to make the domestic supply chain competitive for new capacities if India has to truly become self-reliant.**

Lastly, I'll reiterate that manufacturing will add to the GDP growth of the country and the Govt. has taken decisive action by introducing the PLI scheme. This will definitely give a jumpstart to 'Atmanirbhar Bharat' mission and will provide the necessary momentum to get the ball rolling. However, to ensure that it achieves the intended objective, Central Government, State Government and Industries have to work together and engage continuously to make necessary investments to ensure that structural and tactical issues are reduced and resolved in a timely manner.

On behalf of SPDA, I wish the Govt. and industry the very best for grand success of the program and hope to see India becoming a manufacturing hub in the next 5 years.

With warm regards

Yours Sincerely,



Shekhar Dutt

To,
Dr. P.K. Mishra
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