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AGGRESSIVE BIDDING

Solar tariff hits a new low of ₹2 per unit

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THE LATEST ROUND of solar auctions in the country — conducted by state-run Seci for supplies to consumers in Rajasthan — has discovered tariff of ₹2 per unit, a new low.

The previous lowest tariff was ₹2.36 per unit found under pan-India auctions held in July.

The winning developers bid aggressively to win contracts to set up a total capacity of 1,070 MW, marking a shift from the recent trend of solar tenders being under-subscribed.

According to sources, Saudi Arabia-based Al Jomaih Energy and Water and Green Infra Wind Energy, a unit of Singapore-based Sembcorp Industries, quoted the lowest tariff for building 200 MW and 400 MW solar projects, respectively. State-run NTPC will be awarded the remaining capacity put up



Saudi Arabia's Al Jomaih and Singapore-based Sembcorp **lowest bidders**



NTPC gets around 600 MW too, quotes **second lowest rate**



Assured buyers led to aggressive bidding for supplies to Rajasthan



for auction, at ₹2.01 per unit.

Industry watchers said having an assured buyer for power was a key driver to the discovery of record low tariff. As it was with the last major solar tenders auctioned by Seci in February and July, most winning developers are backed by foreign capital.

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The renewable energy industry is one of the major FDI earners with the sector attracting \$4.8 billion foreign capital till 2019 end since FY15. The country has set a target to raise the capacity of installed renewable energy generation plants from the current level of 89 GW to 175 GW by the end of 2022. About 35 GW is under various stages of implementation and 30 GW under various stages of bidding. If the 45.7 GW of hydro and 6.8 GW of nuclear capacities are included, the target under the Paris climate change accord of having 40% of installed power generation capacity from non-fossil fuel sources can be achieved by 2022 itself.

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