

India solar tariffs at record low

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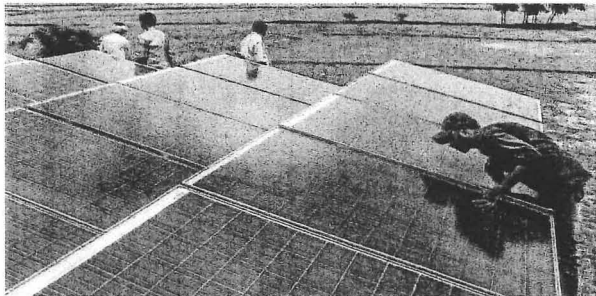
NEW DELHI

India's solar power tariffs hit a new low of ₹2 per unit on Monday at a bid by state-run Solar Energy Corp. of India Ltd (SECI), said a government official, seeking anonymity. The previous low was ₹2.36 per unit.

Saudi Arabia's Aljomaiah Energy and Water Co. and Singapore-based Sembcorp's Indian arm, Green Infra Wind Energy Ltd, placed the winning bids of ₹2 per kilowatt-hour (kWh) to win the contracts to build a 200MW and 400MW solar power projects, respectively. State-run NTPC Ltd placed the second-lowest winning bid of ₹2.01 per unit to secure a 470MW capacity. "A record low bid price of ₹2 per unit was discovered in this auction," he added.

Spokesperson for Aljomaiah Energy could not be immediately contacted. Spokespersons for Sembcorp Industries and NTPC refused to comment.

Interestingly, foreign players have taken the lead in plac-



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ing aggressive bids recently. During the last round, the lowest bid was placed by Spain's Solarpack Corporación Tecnológica, S.A. The previous record low bid was for ₹2.44 per unit in May 2017.

The bids comes at a time fund-starved state electricity distribution companies (discoms) are unwilling to sign contracts with intermediary procurers, such as SECI, for earlier projects at a comparatively higher tariff. Due to the recent low-price bids, the discoms are tar-

iff-shopping and are reluctant to ink power supply agreements for these projects. Besides, debt financing for green energy projects are drying up with large Indian banks refusing to fund projects committed to sell power at less than ₹3 per unit. Banks are wary of lending to developers as

they suspect the viability of projects with rock-bottom tariffs. India has 34.6GW of solar power, with an aim to have 100GW of solar capacity by 2022.

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