

# 'Solar project developers must not cut quality'

When tariffs are as low as ₹2.5, then everybody wants to bring down their costs, compromising on standards: Jakson CMD

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Solar power project developers in India must be careful not to compromise on quality in their drive to lower costs to meet the tariffs set in project bids, according to Sameer Gupta and Sundeep Gupta who head Jakson, an Indian energy company.

Importing low-quality components from China to meet cost requirements runs the risk of the power plant not reaching its 25-year lifespan, they added.

"Even in China, there are good quality manufacturers," said Sameer Gupta, chairman and managing director, Jakson. "But when PPA (power purchase agreement) rates are as low as



Sun down: A plant, meant to work for 25 years, may not last if quality is compromised, says Sameer Gupta. • SHAJU JOHN

₹2.5, then everybody wants to bring down their costs, and in the process, there is always the possibility of compromising on quality."

"That's one big caution for any developer in India that just to beat the rate, one

should not compromise on quality," added Mr. Sameer Gupta. "The plants are meant to last for 25 years, and if you don't do the right engineering and quality controls, then it may not last for that time.

"There is a challenge in buying from China," said Sundeep Gupta, vice chairman and managing director, Jakson. "The performance of modules is not as per what it should be in the sense that the degradation is more than what is committed."

## Imports from China

The value of solar cells India imports from China has ballooned by more than 600% from \$389.43 million in 2012-13 to \$2,817.34 million in 2016-17, according to data with the Ministry of Commerce prompting the government to considering imposing a safeguard duty to boost domestic manufacturing.

An issue with importing

from China is that there is no legal recourse for the buyer in the event of something going wrong with the product, said Mr. Sundeep Gupta.

Speaking about the problems in residential rooftop sector, Mr. Sameer Gupta said that the problems go beyond simply trying to arrange financing for residential adopters.

"The other key challenge is whether the investor has the confidence that he will keep getting the same power rate for the next 25 years," he said. "Even if a private entrepreneur signs a PPA on rooftop solar at ₹4 and tomorrow, the tariff comes down, how do I protect the PPA?"

Another issue facing the rooftop solar industry is the

state of implementation of the net metering policy, a system under which renewable energy providers are paid for the power they provide to the grid.

"While many States have net metering policy, [in] the implementation and execution of the policy, there are shades of grey," said Mr. Sameer Gupta. "There is a lack of willingness of the State electricity boards to really support net metering because they perceive it as a loss of revenue to them."

While that is being sorted out now with the government trying to examine the ways to include the State electricity boards in the solar rooftop sector, there is still a long way to go, he said.