

MNRE keeps ALMM for solar PV modules in abeyance for FY24

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In a relief for solar equipment developers, the Ministry of New & Renewable Energy (MNRE) has kept the Approved List of Models and Manufacturers (ALMM) for solar photovoltaic (PV) modules in abeyance for FY24, beginning

next month.

The move will provide a breather to solar PV manufacturers, as solar modules can now be imported till April 2024 without the ALMM restriction.

“With reference to the Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirements for Compulsory Registration) Order, 2019 and subsequent amendments and clarifications thereto, the undersigned is directed to convey that the subject order is hereby held in abeyance for one financial year, FY24,” MNRE said in a notification last week.

Thus, projects commissioned by March 31, 2024, will be exempt from the requirement of procuring solar PV modules from ALMM, it added. The list was formulated in 2019 to ensure module manufacturers follow all quality compliance norms.

As per the ALMM, the country’s installed capacity of solar PV module manufacturing has increased to about 21.7 GW in January 2023, led by Gujarat, Karnataka, Telangana, West Bengal, and Uttar Pradesh, compared to around 8.2 GW in March 2021.

Nangia Andersen Partner (Power Advisory) Arindam Ghosh pointed out that the news comes as a relief for developers, who have been facing limited domestic capacity.

“However, it is expected that thei situation will improve by 2025 with the Production Linked Incentive (PLI) scheme increasing the capacity by 95 gigawatts (GW). Additionally, developers who were experiencing cost issues due to the basic customs duty (BCD) levy will have their levy deferred, and this issue will be addressed,” he noted.

Considering that a project only takes 16–18 months to commission, developers who plan for capacity additions after March 2024 should be able to plan for ALMM manufacturers, Ghosh said.

“In my opinion, MNRE had to extend the implementation of the ALMM list. India’s solar power targets suggest that it lacks the required manufacturing capacity for solar cells. Therefore, it is imperative to prioritise and increase the manufacturing capacity for solar cells in India to achieve these targets,” he explained.

However, a solar PV module manufacturer said that a year's time is a small period. The industry will require more time, which should likely align with the project implementation period. For instance, if a solar project that has non-ALMM equipment gets delayed and is not commissioned by March 31 next year, then it will breach the time period. This would mean that the project would get stuck, leaving the investors and developers stranded.

In polysilicon, cells, and module manufacturing, India accounts for 2.8 per cent of the global capacity, compared to China (74.70 per cent), North America (2.40 per cent), Europe (2.80 per cent), Asia Pacific (15 per cent) and the rest of the world (1.90 per cent). So far, it does not have wafer manufacturing capacity.

Amp Energy India General Manager (Strategic Initiatives) Kunal Saxena said the ALMM extension by the government brings in acceleration in both the development and manufacturing spaces of renewable energy. For developers, they have now got some elbow room to expedite and commission the projects until March 31, 2024.

“Domestic equipment manufacturers now have to compete with their Chinese counterparts for FY24. This would prompt the manufacturers to fast-forward process development. Sooner the processes stabilise and get to the benchmark cost curve, more manufacturers will step in and scale domestic manufacturing. It’s a win-win for India as both objectives of renewable development and “Make in India” are addressed,” he added.