

PRESS RELEASE
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Urgent Need for Policies to Foster Regionally Balanced Renewable Energy Growth in India, says iFOREST

New Delhi, August 13, 2024: The International Forum for Environment, Sustainability, and Technology (iFOREST), a leading environmental think tank, convened a conference titled "Enabling Balanced Renewable Energy Growth" in New Delhi today. The event aimed to address the increasing regional disparity in renewable energy development across India and explore effective policies and strategies for the future. The national-level conference attracted diverse stakeholders, including national policymakers, state agencies, renewable energy industry leaders, and experts.

Currently, India's renewable energy capacity is heavily concentrated in the southern and western regions, with seven states—Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, and Telangana—comprising over 80% of the total installed capacity. This uneven distribution extends to other green industries, such as solar photovoltaic manufacturing, leading to concerns about the sustainability and equity of the country's energy transition.

In his opening remarks, Dr Chandra Bhushan, CEO and President of iFOREST, emphasized the importance of inclusive participation from all states in achieving India's ambitious renewable energy, green hydrogen, and energy storage targets. He stated, "As India advances towards its ambitious renewable energy goals, it's vital that all states participate equally. This approach will not only prevent excessive investments in grid infrastructure but also promote equitable green growth, generate jobs, and enhance energy security. Achieving this balance requires significant reforms in policies such as Inter-State Transmission System (ISTS) charges waiver and new policies that encourage balanced green growth across the country."

In his chief guest remarks, Shri Bhupinder Singh Bhalla, Secretary of the Ministry of New and Renewable Energy (MNRE), said that, "The required RE capacity growth going forward must be spread equitably across the country. The scheduled phase-out of the ISTS waiver will support this, but states also need to be ready for it by proving ease of business, land and transmission for developers."

During the conference, iFOREST released two critical reports aimed at promoting balanced renewable energy growth in India:

1. "Decoding ISTS Charges Waivers: Implications on System Costs and Procurement Decisions": This report analyzes the impact of waiving Inter-State Transmission System (ISTS) charges on renewable electricity procurement. While the ISTS waiver has spurred renewable energy growth, it has also created market distortions and exacerbated state disparities. The report suggests eliminating ISTS charges to enable fair competition among all states.

2. "Strengthening Renewable Energy Development Agencies in India": This report underscores the need to fortify Renewable Energy Development Agencies (REDAs) in states with lower renewable energy investments. It highlights best practices from successful REDAs that other states can adopt to enhance policy implementation and foster renewable energy market growth.

The conference discussions come at the time when the central government is considering developing an energy transition policy for India, as announced by the Finance Minister in her Budget speech.

The stakeholders' inputs across the various sessions underscored the need for concerted efforts to achieve regional balance in India's next phase of renewable energy growth. Participants also advocated for less land-intensive technologies such as floating solar, rooftop solar, and agri-photovoltaics to ensure ecological security. While their potential is significant, there are risks to be considered and addressed. Policy clarity and guidance is needed for these technologies to be adopted at scale.

Highlighting the role of states in this, Mr. Vikram Kapur, Group President - Growth Business and International, ReNew Power highlighted, "The strategy for RE scale up has to be developed state specific. Further conducive policies need to be put in place, capabilities need to be borrowed and the intra-state transmission networks need to be strengthened."

Ms Mandvi Singh, Programme Director for Clean Energy at iFOREST, emphasized, "Proactive policy actions from central and state governments are crucial to catalyze nationwide growth in renewable energy. The central government should invest in assessing the renewable energy potential of all states to enable them to mobilize the market and attract investments. Concurrently, states must strengthen their policies and institutions, such as REDAs, to advance renewable energy and foster green growth."

The conference concluded with a call for immediate action and collaboration among stakeholders to ensure a sustainable and equitable energy transition for India.

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