World Future Council

GLOBAL RENEWABLES CONGRESS

Renewables in the post-COVID-19 recovery package of India

This project has been made possible through the generous support of the **German Federal Environmental Foundation (Deutsche Bundesstiftung Umwelt/DBU)** and the **Stiftung Mercator**. Additional support for this project was made available by **Mr. Amir Roughani**, Ambassador for the **World Future Council**.

World Future Council

GLOBAL RENEWABLES CONGRESS

IMPRINT

AUTHORS

TEJAS SHINDE & ANNA SKOWRON

CONTRIBUTORS

ANNA LEIDREITER & NAEMIE DUBBELS

PHOTO CREDIT

COVER: ISTOCK/NASTCO

SUPPORTED BY DBU STIFTUNG MERCATOR

C/O WORLD FUTURE COUNCIL, HAMBURG, GERMANY • WWW.RENEWABLESCONGRESS.ORG • INFO@RENEWABLESCONGRESS.ORG • TWITTER @RESCONGRESS

World Future Council

GLOBAL RENEWABLES CONGRESS

Content

THIS ANALYSIS IS PART OF A COMPILATION OF RECOVERY PACKAGE ANALYSES AND AIMS AT EXPLORING THE ROLE OF RENEWABLES IN POST-COVID19 RECOVERY SCHEMES. AS A SERIES, THIS RESEARCH IS CONDUCTED CONTINUOUSLY AND WILL BE ADDED TO, ONCE INFORMATION IS AVAILABLE.

Introduction

India was no exception to the effects of the COVID-19 pandemic that affected most countries. The pandemic hit supply chains for RE technologies, as borders were closed, to prevent further spread of the disease. Import and export as well as local business were brought to a standstill.

At the onset of 2020, India was well on its path to achieve its renewable energy target of 175 GW by 2022.[1] The rapid spread of COVID however led to a significant downturn of the renewable energy (RE) sector in India. Subsequently, many developers sought an extension for commissioning their RE plants which should have been ready in the first half of 2020. The expected capacity addition in the year 2020 also slowed down from 8,000 MW (projected) to 2,030 MW from January to September 2020[2]. Due to unforeseen circumstances, RE project installers were forced to invoke the Force Majeure clause in their contracts.[3] The Ministry of New and Renewable Energy is expected to readily agree on this point.[4]

International response

With the spread of the pandemic, many international organisations, country unions, international think-tanks, and governments have come forward with one voice calling for the importance of increased resilience, to avoid similar disasters in the future. A sustainable approach to build resilience has generally been favoured, many stating the seemingly obvious: that we cannot go back to our carbon-intense ways of doing business and that there is a need to shift to a more sustainable approach to not just prevent such disasters, but to also improve livelihoods and leave no one behind.

One approach being highlighted as very promising is decentralisation which can help local economies survive and strife. Simran Grover, CEO of Bask Research Foundation, and Huda Jaffer, Director at Selco Foundation, in a report quoted, "a paradigm shift towards building societies based on resilience and sustainability is much desired. While building a resilient and sustainable nation is going to be a

[1] NitiAyog, Government of India, "Report Of The Expert Group on 175 GW RE by 2022" published on 31 Dec 2015, accessed on 30 Nov 2020.
[2] Shashwat Mohanty, Economic Times, "India adds 2,320 MW solar capacity in COVID-19-hit January-September period" https://economictimes.indiatimes.com/industry/energy/power/india-adds-2320-mw-solar-capacity-in-covid-19-hit-january-september-period/articleshow/78891954.cms?from=mdr published on 28 Oct 2020, accessed on 30 Nov 2020.
[3] Nithin Thomas Prasad, MERCOM India,Developer Allowed to Invoke Force Majeure for Delayed Solar Project Due to COVID-19 "https://mercomindia.com/developer-allowed-invoke-force-majeure/ published on 24 June 2020, accessed on 30 Nov 2020.
[4] IANS, Economic Times, Solar power projects delayed by coronavirus in China may get relief" https://energy.economictimes.indiatimes.com/news/renewable/solar-power-projects-delayed-by-coronavirus-in-china-may-get-relief/74251796 published on 22 Feb 2020, accessed on 30 Nov 2020.

multi-faceted strategy, a distributed growth strategy which focuses on local value addition is a good starting point"[5].

Renewable Energy has been found to be the more dependable option of the lot. "Renewable power is defying the difficulties caused by the pandemic, showing robust growth while other fuels struggle. The resilience and positive prospects of the sector are clearly reflected by continued strong appetite from investors – and the future looks even brighter with new capacity additions on course to set fresh records this year and next," said Fatih Birol of the International Energy Agency[6].

India's response to the pandemic

India has been committed to reducing its carbon footprint and restoring its ecosystem. A report published by the Centre For Financial Accountability in November 2020 found that "a 126% drop in funding from commercial banks to coal projects, compared to 2019, following a 90% decrease in 2018 over the previous year[7]." Further, at the virtual G20 summit in 2020, India's Prime Minister (PM), Mr. Narendra Modi, reiterated India's commitment towards meeting its RE target of 175 GW before 2022 and taking steps towards achieving 450 GW by 2030[8].

In May 2020, the PM launched the country's pandemic recovery package, the AtmaNirbhar Bharat (Self-reliant India) through a 20 million lakh crore (UDS$ 265 billion) stimulus package to make India self-reliant amid the coronavirus pandemic.[9] Though the package does not clearly indicate the renewable energy sector, it sets a precedent for the "self-reliance" approach in all of the sectors.

---

[5] Simran Grover & Huda Jaffer, Energy World, Economic Times, "Covid-19: RE-look - Clean Energy for resilient India" https://energy.economictimes.indiatimes.com/news/renewable/covid-19-re-look-clean-energy-for-resilient-india/75299079 published 22 April 2020, accessed on 30 Nov 2020.

[6] IEA Press Release, "Renewable power is defying the Covid crisis with record growth this year and next" Renewable power is defying the Covid crisis with record growth this year and next - News - IEA published on 10 Nov 2020, accessed on 30 Nov 2020.

[7] Tanya Thomas, Centre For Financial Accountability, "Lending to thermal power projects falls for second straight year: Study" Lending to thermal power projects falls for second straight year: Study – Centre for Financial Accountability (cenfa.org) published on 28 Nov 2020, accessed on 01 Dec 2020.

[8] Scroll.in, "India is not only meeting Paris Agreement target, but also exceeding them", says PM Modi at G20 event. G20 summit: Modi says India not only meeting Paris Agreement target, but also exceeding them (scroll.in) published on 22 Nov 2020, accessed on 01 Dec 2020.

[9] The Hindu Business Line, "PM Modi unveils ₹20-lakh-crore package for 'Atmanirbhar Bharat Abhiyan', PM Modi unveils ₹20-lakh-crore package for 'Atmanirbhar Bharat Abhiyan' - The Hindu BusinessLine published 12 May 2020, accessed on 30 Nov 2020.

Compendium of Recovery Programmes

In addition to this rather centralised recovery package, multiple stimuli measures address recovery from the pandemic at multiple levels. These have not been brought under a single umbrella but are instrumental in countering the effect of the pandemic.

1. PM Kusum Scheme (Solar Pump for Farmers)

The Pradhan Mantri Kisan Urja Surakshaevam Utthaan Mahabhiyan (PM-KUSUM) Scheme was launched in 2019 with the objective of increasing farmers' income, provide a reliable source for irrigation, and power supply, and de-dieselise the farming sector.

Further, the scheme serves as an additional income to farmers through the following three mechanisms/ components[10]:

- Component-A: Setting up of 10,000 MW of Decentralized Grid-Connected Renewable Energy Power Plants on barren land;
- Component-B: Installation of 1.75 million stand-alone solar agriculture pumps;
- Component-C : Solarisation of 1 million Grid Connected Agriculture Pumps.

The scheme was strengthened in 2020, in the wake of the coronavirus pandemic. The number of stand-alone solar pumps was raised to 2 million and the solarisation of grid-connected pumps was raised to 1.5 million. In addition, solar power plants can also be installed on marshy and pasture lands[11]. Further, the government has topped-up financial assistance which now accounts for 60% (30% + 30%)[12] of the total cost.

Under the topped-up scheme, the use of a Universal Solar Pump Controller (USPC) is allowed, in addition to the installation of larger solar PV panels. Given that excess energy is not utilised this should allow for a more efficient energy supply and allow for other uses such as battery charging or cold storage.[13,14] The installation of USPC will increase the income of farmers, which is the aim of the PM-KUSUM scheme, according to the relevant Ministry.[15]

The scheme overall builds on the approach of building resilience in local communities, through building local infrastructure. This allows communities to become relatively independent from

---

[10]Schemes, Ministry of New and Renewable Energy website, "KUSUM Scheme" PM-KUSUM scheme | Ministry of New and Renewable Energy | Government of India, accessed 11 Jan 2021.
[11] The Hindu, "Govt. expands scope of PM-KUSUM for harnessing solar energy by farmers" Govt. expands scope of PM-KUSUM for harnessing solar energy by farmers - The Hindu, published on 13 Nov 2020, accessed on 30 Nov 2020.
[12] FE Bureau, The Financial Express, "States to get loan from agriculture infrastructure fund for Kusum scheme" States to get loan from agriculture infrastructure fund for Kusum scheme - The Financial Express published on Nov 28, accessed on 30 Nov 2020.
[13] Ibid.
[14] Ibid.
[15] The Hindu, "Govt. expands scope of PM-KUSUM for harnessing solar energy by farmers" Govt. expands scope of PM-KUSUM for harnessing solar energy by farmers - The Hindu, published on 13 Nov 2020, accessed on 30 Nov 2020.

disruptions in supply chains and helps to generate an additional income locally and further enhancing their entrepreneurial skills.

Evaluation of Kusum Scheme:

Overall, the scheme's early success in the previous year led to its strengthening as one of several recovery measures from the negative impacts of the COVID-19 pandemic. The financial assistance increased the affordability of the pumping system bringing it within the reach of low income and medium income farmers. As a result, the enhanced infrastructure reduces dependence on grid power as the main source. Decentralised system means avoided capital expenditure on transmission and distribution (T&D) infrastructure as well as bringing down the T&D losses where the systems are grid-connected.

Farmers have said that the scheme has made it viable for them to install the system. Farmers prefer subsidised pumps over direct purchases from the market because of a waiting period for the pumps. Nevertheless, the maximum capacity of 7.5 Hp of the installations has been criticised as catering too much to small-scale farmers, leaving out larger farmers. It has been seen that the large induction load of motors cause power fluctuation and loss of power quality. Bringing the higher capacity farmers under the scheme can help reduce these losses.

Previously, farmers often lacked the manpower or knowledge to install the systems and relied on local installers causing a considerable delay in the process. This has been reduced in the improved scheme by specifying a timeline for the installation of the system.

It is to be noted that the scheme does add to India's RE target and hence forms an important component in its Paris Commitment.

2. Solar Rooftop Projects:

With support from the central government, solar rooftops have seen a steady acceleration in the country. Considered to be a simpler system with adequate regulatory support, solar rooftops have been found to be the most convenient RE solution in urban settings in particular.

During the pandemic, multiple states have announced subsidy schemes for solar rooftop installations through net-metering/ gross-metering solutions (see examples below). Ideally, this reduces energy demand. In the first nine months of 2020, 883 MW[16] of rooftop solar systems plugged into the grid in India.

Rooftop Subsidy Scheme in India:

GUJARAT

Gujarat has been allocated a target of 3200 MW[17] solar rooftop PV system installations by 2021-22. Accordingly, a subsidy scheme was developed to accelerate the deployment in Gujarat by partly

[16] Saur Energy. "883 MW Solar Rooftop Additions in 2020 So Far Powered By Gujarat" https://www.saurenergy.com/solar-energy-news/883-mw-solar-rooftop-additions-in-2020-so-far-powered-by-gujarat published on 19th Nov 2020, accessed on 01 Dec 2020.
[17] Ibid.

subsidising the installations between 30% and 40%. The scheme was supposed to end in April 2020 but was extended to December 2020 under the COVID stimulus package- **Atmanirbhar Gujarat Package,** an INR 14,000 million (USD$ 190,000) package under which many of the government schemes have been extended.[18] Further, the government has allocated INR 9120 million in the financial year 2020-21.

As of June 2020, the Gujarat Energy Development Corporation had received 128 thousand applications for the rooftop system[19].

KERALA

The Kerala state government's Saura PV Rooftop Scheme is an ambitious 1000 MW solar PV system scheme that includes 500 MW of rooftop solar power plants in houses, schools, hospitals, and commercial establishments.[20]

Despite hurdles due to COVID-19, the Kerala state government is prioritising the deployment of solar technologies. Solar power currently produces around 30% of the state's required capacities, the rest has to be imported. With the scheme, the state hopes to increase self-reliance and went ahead with its 150 MW grid-tied residential rooftop tender in March 2020.

"Regardless of apprehensions and staff deployment because of the pandemic, we need to harness the solar power before the summer is over. The uninterrupted workflow will also keep the employment situation buoyant," stated a Kerala State Electricity Board (KSEB) official[21]. Currently, the main driving force behind the Saura project appears to provide a reliable power source as well as provide sustained employment during the pandemic.

UTTAR PRADESH

In August, the city authority of Lucknow, for instance, the Lucknow Development Authority (LDA) released a policy wherein new constructions in the city are mandated to install solar rooftop systems under the new norm[22]. This new policy is envisaged to reciprocate the "Self-Reliant India" slogan of the Indian government.[23]

---

[18] Uma Gupta, PV Magazine, "Gujarat extends solar power policy till December 31" https://www.pv-magazine-india.com/2020/07/13/gujarat-extends-solar-power-policy-till-december-31/, accessed 11 Jan 2021.
[19] Surya Gujarat, Government of Gujarat, Government Resolution, GR no. SLR -11/2015/401/B1 dated 5th Aug 2019. https://suryagujarat.guvnl.in/GR_SURYA.pdf published on 5th Aug 2020, accessed on 01 Dec 2020.
[20] Ibid.
[21] M Sarita Varma, The Financial Express, "**KSEB revs up 1000-MW solar foray fearing Covid-sparked setback"** KSEB revs up 1000-MW solar foray fearing Covid-sparked setback - The Financial Express, published on 20 March 2020, accessed on 02 Dec 2020.
[22] Ibid.
[23] Pranchal Srivastava, Economic Times, "**Lucknow: Solar rooftops must for upcoming houses on 500sqm"** Lucknow: Solar rooftops must for upcoming houses on 500sqm, Energy News, ET EnergyWorld (indiatimes.com) published on 12 Aug 2020, accessed 11 Jan 2021.

PUDUCHERRY

In line with the central government's subsidy scheme (similar to Gujarat), the Puducherry administration issued a tender for 30 MW solar rooftop systems ranging from 1 kW to 500 kW on residential buildings. Under the net-metering scheme, financial assistance will be provided up to 40% for 1 to 3 kW and 20% for the next 4 to 10 kW.[24]

BIHAR

Similarly, as above, the Government of Bihar also floated a tender for a solar rooftop system for residential buildings. The total aggregate capacity is 20 MW[25]. It is expected to have a similar subsidy scheme as Gujarat, Rajasthan, and Puducherry. Further, state financial assistance will cover up to 25% of the price in the bidding for all categories of bids under the tender.

Other energy transition technologies coupled with rooftop solar

BLOCKCHAIN TECHNOLOGY

With the advent of blockchain technology, India too tried to leverage the blockchain concept by introducing block metering for housing complexes in New Delhi. Electricity distributor BSES Rajdhani Power Limited (BRPL) has partnered with Power Ledger, a specialist in blockchain-based renewable energy trading, to install a large-scale peer-to-peer (P2P) energy trading trial in Delhi, India.[26] The Uttar Pradesh government formally recognised blockchain as an enabling technology and is working on a P2P power trading pilot project.

Blockchain technology has enabled power trading amongst the members of communities. Through this technology, a society member who does not have enough space to install a solar rooftop system can still buy excess solar power from the neighbourhood through the existing grid. The billing will take care of this exchange and benefit the supplier as well. This way, the benefit of rooftop solar installations can be distributed evenly across a larger number of people.

Though this was carried out on a pilot basis, the technology did prove its potential in increasing energy efficiency and the pricing system.

MICROGRID

For remote locations that often face disruptions or are not connected to the grid, microgrids have proven to be a successful tool to improve energy access. Through solar power micro-grids, some of the remote villages in the upper Himalayas were able to experience grid power for the first time.

---

[24] Rakesh Ranjan, MERCOM India, "Puducherry to Empanel Contractors for 30 MW of Residential Rooftop Solar Systems" Puducherry to Empanel Contractors for 30 MW of Residential Rooftop Solar Systems - Mercom India, published on 20 Nov 2020, accessed on 03 Dec 2020.
[25] Harsh Shukla, MERCOM India, "Bihar Issues Empanelment Tender for 20 MW of Residential Rooftop Solar Systems" published on 14 Oct 2020, accessed on 03 Dec 2020.
[26] Smart Energy International, "Bringing blockchain to India's power consumers" Bringing blockchain to India's power consumers (smart-energy.com) published on 03 April 2020, accessed on 03 Dec 2020.

Great Himalayan Expeditions, an Indian organisation took about 1300 travellers from 65 countries on its expeditions to help electrify the villages in the Upper Himalayas.[27]

Overall outlook at the Solar Rooftop Movement in India

India's energy demand is rapidly increasing as compared to its energy supply. Hence, a shift from conventional power to locally available renewable power is on priority to curtail the dependency on coal and carbon-intensive technologies.

The Indian government has an ambitious target of 145 GW RE by 2022 and has declared to further exceed it by 2030. Out of this, the rooftop solar PV system is pegged at a target of 40 GW by 2022[28].

The progress of these projects did hit some roadblocks after the outbreak of COVID, the commissioning of projects was delayed and some projects like the Maharashtra or Puducherry solar rooftop subsidy schemes launched late. The deployment rate is estimated to reach new track records this year. Mostly because several of the delayed projects will finally be commissioned in 2021.

With the financial assistance for consumers and huge volumes of solar capacities bundled under single tenders, businesses can take advantage of these favourable conditions. At the same time, however, India's solar progress has significantly driven down costs for solar projects. These are now at a historically low figure. This has raised some fears among some institutions that workers cannot be paid adequately to hold up high-quality work.

3. Electric Vehicle Schemes

Transport came to a literal standstill during the national lockdown and reduced air pollution levels to a record low.[29] This situation has shown that reducing fossil fuel-based transport also reduces harmful air pollution. Especially in the light of the still ongoing pandemic, the need to decrease the chances of catching respiratory diseases and easing breathing have become paramount.

DELHI

Against this backdrop, the Delhi government launched an Electric Vehicle (EV) Policy, encompassing cars, rickshaws, 3-wheelers, buses, etc. as well as charging infrastructure and management of end-life fossil fuel vehicles. This policy has been developed with a long-term vision that EVs account for 25% of the total new vehicle registrations in the city by 2024. Some of the key points from the EV policy are[30]:

- EVs should account for 25% of the total new vehicle registrations in the city by 2024.

---

[27] Microgrid Knowledge, "Global Himalayan Expedition Wins Top Microgrid Greater Good Award" https://microgridknowledge.com/microgrid-greater-good-award-ghe/ published on 17 Nov 2020, accessed 11 Jan 2021.
[28] Prachi Kothari, Energy Live News, "India 'to achieve third of 2022 rooftop solar target by the end of 2020' " published on 16 March 2020, accessed on 03 Dec 2020
[29] Esha Roy, Indian Express, "Air pollution dropped significantly during 74-day lockdown period: Study" Air pollution dropped significantly during 74-day lockdown period: Study | India News,The Indian Express, published on 04 July 2020, accessed on 05 Dec 2020
[30] Anjali Jaiswal, NRDC.ORG, Review of State EV Plans Across India Amidst COVID-19, Review of State EV Plans Across India Amidst COVID-19 | NRDC published 29 Sept 2020, accessed 11 Jan 2021.

- Producing at least 50% e-buses within all-new stage carriage buses procured for the city fleet, starting with 1,000 e-buses by 2020.
- A purchase incentive of INR 10,000 ($USD136) per kWh of battery capacity provided for electric 4-wheelers (cars) (subject to a maximum incentive of INR 1.5 lakh ($USD 2,039) per vehicle) for the first 1,000 e-cars registered in New Delhi after issuance of the policy.
- A purchase incentive of INR 5,000 ($USD 68) per kWh of battery capacity is provided for 2-wheelers and subject to a maximum incentive of INR 30,000 ($USD 409) per vehicle.
- Scrapping premium for old highly polluting 2-wheelers.
- Purchase incentive of INR 30,000 ($USD 409) per vehicle to owners of e-cars, e-rickshaws, and e-carts.

TELANGANA

Telangana approved the EV policy in August 2020. One of its key objectives besides reducing air pollution is job creation for about 20,000 workers through EVs in shared mobility, charging infrastructure development, and EV manufacturing activities.

Other objectives being:

- to have EV sales targets for 2025 to achieve 80% for 2- and 3-wheelers (motorcycles, scooters, auto-rickshaws), 70% commercial cars (ride-hailing companies, such as Ola and Uber), 40% buses, 30% private cars, 15% electrification of all vehicles;
- Attracting investments worth $3.0 billion and support for charging infrastructure deployment.[31]

Policies from other states are awaiting approval but sooner or later are bound to catch up with the two states. Coupled with additional measures and action, the policies can have a far-reaching effect in creating job opportunities as well as bring in liquidity through massive investments which can uplift the jammed economic structure.

4. Policy Framework for developing and promoting Decentralized Renewable Energy (DRE) Livelihood Applications in Rural Areas

Aiming to strengthen the rural economy, the Ministry of New and Renewable Energy is planning to launch the Decentralized Renewable Energy (DRE) Livelihood Applications in Rural Areas policy. The policy framework for DRE is in the draft stage and has been shared with the public for stakeholder consultation.

The DRE Livelihood projects will focus on building entrepreneurship and livelihood skills amongst the rural communities powered by renewable energy. “The DRE livelihood applications are not only energy-efficient but also economically viable in rural settings. The modular design of such DRE livelihood applications ensures scalability without large investments”, the office memorandum issued by MNRE reads.

The objective of the framework is to:

[31] NRDC “Charging Forward on Powering Vehicles”, https://www.nrdc.org/sites/default/files/charging-forward-powering-vehicles-20200728.pdf published July 2020, accessed 11 Jan 2021.

- Enable a market-oriented framework to attract the private sector for the development and deployment of DRE livelihood applications;
- Grant easy access to end-user finance for DRE livelihood applications;
- Introduce standards for stringent monitoring and evaluation frameworks;
- Develop the skill to strengthen the service infrastructure at the local level;
- Encourage innovation and R&D to develop efficient and cost-effective DRE livelihood applications.

The policy focusses on building a sustainable rural economy through the use of various RE technologies like solar dryers, solar cooling plants, bulk milk chillers, or mini rice-mills. It has a multi-prong approach where the government provides:

- Financial assistance for business start-ups;
- Supports skill development training.

The application of options of DRE is manifold. During the pandemic, for instance, in the form of solar-powered touchless sanitisers or solar-powered biomedical waste disposals.[32]

5. Financial and Regulatory Support

Apart from the sector-specific policies, the government has introduced several financial and regulatory support measures, such as:

- **5 months extension for ongoing projects by central government**[33]**:** As a cushion to the COVID stricken RE industry, the MNRE has granted an extension for five months to all RE projects. Implementing agencies were asked to consider the nation-wide lockdown as Force Majeure and has requested them to sanction the five months extension without seeking any further reason from the RE project developers. In turn, the developers have been asked to pass on the benefits of such time extension to the EPC contractors.
- **Honouring "Must Run" status of RE plants**[34]**:** During the lockdown period, some of the state DISCOMS citing the force majeure condition started curtailing RE power purchase. The Ministry of Power, being committed to the promotion of RE, released an office memorandum on 1st April 2020 which states that the RE power plants have been granted a Must Run status. Further, the payments to the RE generators have to be given time for the power purchase since the DISCOMS have already been provided with relief.
- **Ministry of Finance Reduces Performance Security Deposits For Solar Tenders to 3%:** In order to enable entities to enter the competition and participate in the bidding process, the

[32] Anuj Xess, India Climate Dialogue, "Decentralised renewables can build resilient rural India" Decentralised renewables can build resilient rural India - India Climate Dialogue, published on 27 Nov 2020, accessed 11 Jan 2021.
[33] Ministry of New and Renewable Energy, Press Release- "MNRE extends time of RE Projects up to 24.8.2020 considering disruption due to lockdown due to COVID-19" https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1645869 published on 14 Aug 2020, accessed 11 Jan 2021.
[34] Ministry of Renewable Energy, Office Memorandum dated 1st April 2020 OM_RE_Must_Run_in_LockDown.pdf (mnre.gov.in) published on 1st April 2020, accessed 11 Jan 2021.

government has reduced the Performance Security Deposit for RE tenders from earlier 10% to 3%. The MNRE noted that all tenders and contracts that have been issued or concluded until 31st December 2021, will also be eligible for the reduced performance security benefits. This could enable developers to finish the project on time and without being burdened by the high amount of security deposit. In addition, it was noted that the high amount of Earnest Money Deposit can hinder the pandemic struck industry from participating in the public sector tenders. Hence, in an effort to circumvent this, the ministry ruled for bid security or earnest money deposit (EMD) provisions to be removed from bid documents in the future. Only bid security declarations can be retained in these documents.[35]

CONCLUSION

Overall, India's response to the crisis could be labelled as "self-reliant". Naturally, renewables thus account for a significant share of recovery efforts and include future as well as ongoing projects. In addition, provincial policies and initiatives like rooftop solar schemes and solar pumps have been perceived well-timed to accelerate the RE industry.

Further, the stronger focus on DRE could enable rural economies to become more resilient and self-reliant. A close look in the future will reveal if the initiated measures and pilot projects succeed in amplifying RE voices.

[35] Nithin Thomas Prasad, MERCOM India, "Ministry of Finance Reduces Performance Security Deposits For Solar Tenders to 3%", Ministry of Finance Reduces Performance Security Deposits For Solar Tenders to 3% - Mercom India published on 19 Nov 2020, accessed 11 Jan 2021.