



## India's most industrialised state pushes for clean energy

*New, tough measures may encourage solar power*

By: Kavitha Rao

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Power to the people ... Indian girls hold solar powered lamps at a gathering to mark Earth Hour in Mumbai. Photograph: Punit Paranjpe/Getty

It's rare that cheery environmental news comes out of [India](#), especially when it comes to clean energy. But a July 22nd order by the electricity regulatory authority of Maharashtra (MERC), India's most industrialised state, is being welcomed as a possible game changer. The government has ordered 93 entities to attain renewable power obligation (RPO) targets by March 2014, which include government distribution companies (discoms) as well as large private consumers of electricity.

Also significantly, companies that do not comply will be fined Rs 13.40 per unit (about 13p), higher than ever before. The state is one of only two states in the country to take such strong action (the state of Punjab, also one of the country's richer states, has issued a similar, though not quite as radical order). The entities named will have to add approximately 400 MW of solar capacity in Maharashtra.

Until now, Indian states have made miserable progress in attaining RPO targets, mostly because the state has been uninterested in enforcing compliance, and both discoms and private companies have

defied the government's coaxing to buy renewable energy certificates (RECs). A Greenpeace [report in April pointed out that 22 out of the 29](#) states did not attain their RPO targets. Maharashtra was one of the worst performers.

Many solar companies think the new order is a massive step forward. "This announcement is a fundamental game changer for the Indian solar industry," said Ameet Shah, the co-chairman of solar company Astonfield Renewables. "RPOs are essential to installing more power; alleviating shortages and helping our economy run at full speed. Maharashtra, one of the leading industrial states in the country, making such a big policy move towards enforcement, confirms explicitly that non-compliance will not be tolerated any longer." Shah also thinks this list will be expanded, and the demand for [solar power](#) will go up.

Other solar companies [hope this will lead to an increase in the sale of](#) languishing RECs. Over 2.7 million RECs currently lie unsold, because MERCS are unable to convince shirking discoms and companies to buy them.

The toothlessness of the MERCS is one reason why some green groups are not rejoicing yet. "This is a significant step," says Greenpeace campaigner Abhishek Pratap. " And the MERC should be congratulated. But it's going to be difficult for the MERC to impose such fines. Many discoms are in very poor financial condition, so it's probably better to make the private entities pay up first." Pratap says the electricity regulatory boards have limited powers of enforcement and are powerless when it comes to compliance, and lesser fines imposed in the past have often been ignored. "The question is: who will regulate the regulators? We need a revamp of the whole electricity laws to give electricity regulatory boards more power."

Still, green groups are hoping this will serve as a precedent for other state electricity regulators to get tough. The carrot's been tried. Now it's time for the stick.