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'Better payment guarantee can bring down wind power tariffs further'

OUR BUREAU

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Assurances of timely payments from power distribution companies will push wind power tariffs down further, according to industry watchers.

Chairman at the Indian Wind Turbine Manufacturers Association, Sarvesh Kumar, said, "A better payment guarantee mechanism will push tariffs down further." He was speaking at a press conference on the sidelines of Windergy India 2017.

Power prices crashed to ₹3.46 a unit in the country's first ever auction of wind energy projects this year. The association released its report on the wind energy scenario of India. In the report it noted that power distribution companies have been defaulting on Renewable Purchase Obligations. This is hampering the prospects of the sector's growth in India. Kumar noted that payment assurances give more clarity to the developer he said, "In the Rewa bid, there is clarity on off-take assurance and that's why the tariffs are so low." A similar payment security mechanism will allow wind energy project developers to bid aggressively.