

Share of non-hydro renewables in India's generation capacity crosses historic 25% mark: CEEW-CEF

New Delhi, 12 August 2021: The share of non-hydro renewable energy (RE) sources in India's power generation capacity crossed the 25 per cent mark for the first time ever in Q1 FY22, according to the latest edition of the CEEW Centre for Energy Finance (CEEW-CEF) [Market Handbook](#) released today. Non-hydro RE accounted for 25.2 per cent of total generation capacity in Q1 FY22, up from 24.7 per cent in Q4 FY21. This happened even though RE capacity addition slowed down considerably in Q1 due to India's second COVID-19 wave. Further, no new coal-based capacity was added in Q1 for the first time in more than 14 quarters.

Gagan Sidhu, Director, CEEW-CEF, said, "India has achieved a significant milestone by scaling up non-hydro RE to a quarter of its total generation capacity. The hiatus in coal capacity addition, too, bodes well for India's energy transition. But with the world's focus shifting towards emissions, much more needs to be done. This essentially involves a twin focus on clearing the deployment pathways for generation types that do not emit, along with calibrated and measured retirement for those that do."

The CEEW-CEF Handbook highlighted the second COVID-19 wave's dampening effect on auctioned RE capacity and RE stock prices. Lockdown-related delays and extensions were mainly responsible for limiting the total RE capacity auctioned in Q1 FY22 to a mere 425 MW, down 89 per cent from the 4.4 GW auctioned in Q1 FY21. RE stock prices fell in April and May after making considerable gains in the second half of FY21, but they regained investor interest in June.

Ruchita Shah, Analyst, CEEW-CEF, said, "Renewable energy auctions slowed down in Q1 FY22 due to the pandemic, and only two developers won the capacity auctioned. Still, bids were oversubscribed and attracted major participation. The upcoming quarter appears promising for RE auctions."

The CEEW-CEF Market Handbook highlighted that electricity demand in India hit an all-time high of 193.9 GW (191.5 GW met) in June 2021. This historic peak is attributable to increased summer demand driven by the frequency of hot and humid days, as well as the country's post-lockdown economic recovery.

On the discom payables front, dues owed to power generators declined by 8.1 per cent compared to Q4 FY21 and 34 per cent compared to Q1 FY21. In states like Maharashtra, Rajasthan, Madhya Pradesh, Karnataka, and Chhattisgarh, payable days increased by more than a month compared with Q1 FY21. This happened because discoms found it harder to collect bill payments from consumers during the COVID-19 crisis, and in turn delayed payments to generators. However, payable days decreased in Uttar Pradesh, Uttarakhand, Assam, and Haryana.

About CEEW-CEF Market Handbook

The CEEW-CEF Market Handbook aims to accelerate India's energy transition by providing independent market intelligence to investors, executives and policymakers every quarter. The CEEW-CEF Market Handbook for Q1 2021-22 can be accessed [here](#). The CEEW-CEF Market Handbook for the previous quarters can be accessed [here](#).

About CEEW-CEF

The CEEW Centre for Energy Finance ([CEEW-CEF](#)) is an initiative of the Council on Energy, Environment and Water ([CEEW](#)), one of Asia's leading think tanks. CEEW-CEF acts as a non-partisan market observer and driver that monitors, develops, tests, and deploys financial solutions to advance

the energy transition. It aims to help deepen markets, increase transparency, and attract capital in clean energy sectors in emerging economies. It achieves this by comprehensively tracking, interpreting, and responding to developments in the energy markets while also bridging gaps between governments, industry, and financiers.

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