

Quarterly Market Observatory



Wind Turbine Market in India & South East Asia Outlook Update – Q2 2020

May 2020



The Eighty – 20 of Industry: What Matters?

Leading Edge - India

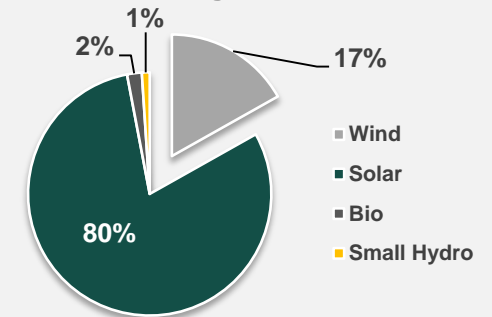
Imports of Wind turbine to India to take a massive hit in Q2 2020 due to global supply chain disruption amidst Covid-19 crisis – Cascading effect on wind projects in India expected in Q2 2020

Wind installations levels in India have significantly declined after the reverse auction mechanism was introduced in the wind sector after several years of growth. Moreover, India installed only 190 MW of wind capacity in Q1 2020 which is well below the anticipated addition due to the supply chain disruptions in wind energy segment in India. Moreover, the dismal response of the wind capacity addition is mainly attributed to the financial stress of turbine makers, land acquisition issues and grid connectivity delays resulting in denting investors sentiments in wind segment. However, COVID-19 outbreak has effected the supply chains that further inflicted the wind energy segment in India. Consequently, India turbine market take a hit due to restrictions on transportation of wind turbine from China as close to 80-85% of the wind turbine are imported from China. Thus, fresh investments in the wind energy segment to take a hit in India which shall have the cascading effect on new wind energy capacity additions in Q2 2020. Moreover, as on Q2 2020, approx. 13 GW of wind energy projects in pipeline are delayed that shall dent the 60 GW target of wind capacity set by Indian Government by 2022.

Share of Wind capacity in total renewable generation in Q1 2020 (%)

188 Mw

Only 188 Mw of Wind capacity added in Q1 2020 **reduced by 61%** as compared to addition in Q1 2019.



Source: eninrac consulting, CEA & Channel checks



India turbine market take a hit due to restrictions on transportation of wind turbine from China as close to 80-85% of the wind turbine are imported from China.



As on Q2 2020, approx. 13 GW of wind energy projects in pipeline at different stages of development are delayed due to the supply chain disruption inflicted by Covid-19 outbreak

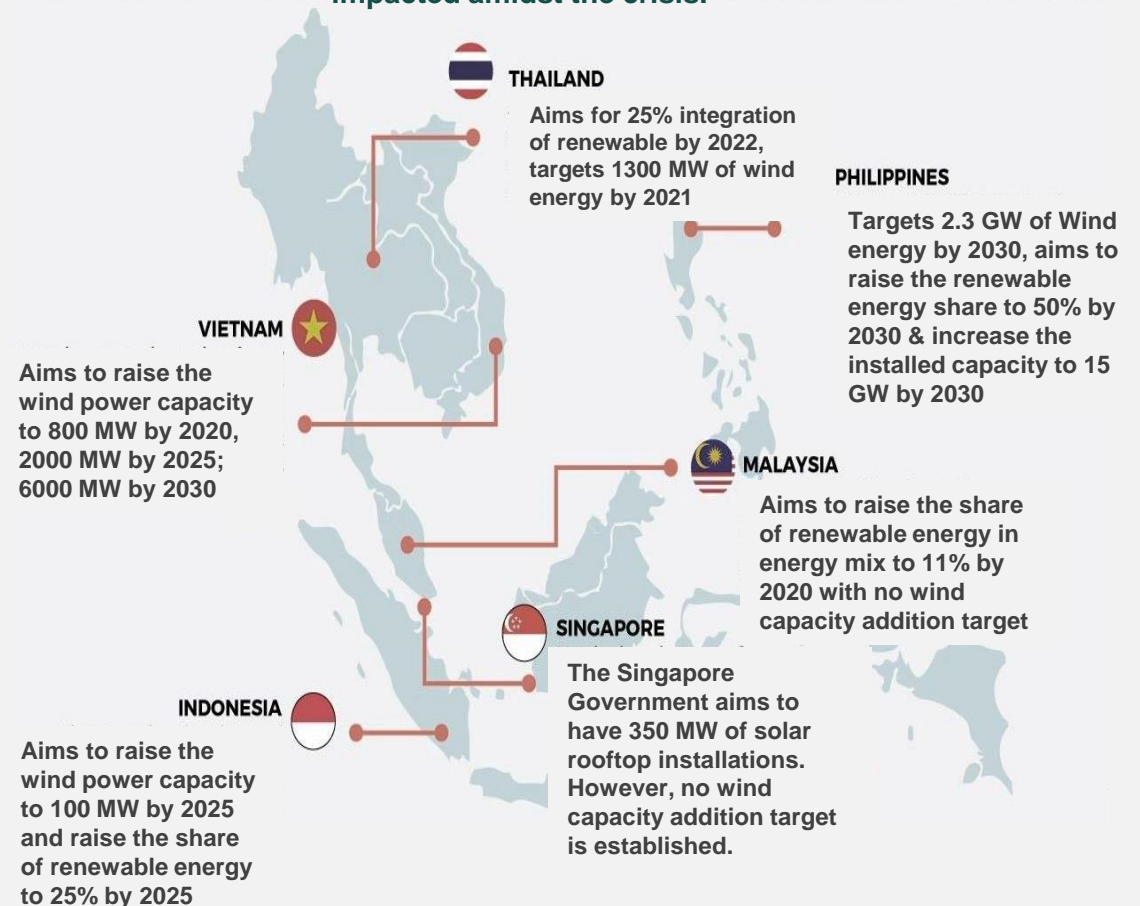


Round Up Monitor – South East Asia

Swift transition from fossil fuel to renewable energy in South East Asia are likely to be dashed by the economic and market crises as the coronavirus outbreak persists in Q2 2020

Southeast Asian nations already struggling to meet climate change targets will find wind capacity addition goals further from reach, with the unprecedented health emergency becoming the principal priority and a major economic burden. Although, the capacity addition has gathered pace in last two year as per year capacity addition has increased to 500MW/year which was hovering around 200 MW/year before 2018. But, the capacity addition still remains at the lower range as supportive policies are missing to give boost to capacity addition. Moreover, along with missing policy support in terms of licensing and investment in wind energy segment, the outbreak of Covid-19 has put a pause in on-going wind projects as the supply chain has been hit due to the crisis. Moreover, with no immediate relief, the future investments in the wind segment is likely to dent the future wind targets in the South East Region.

Wind energy future targets for South East Asia likely to be impacted amidst the crisis.



Source: eninrac research, GWEC, Channel Checks

Numbers to Focus Upon – Q1 2020



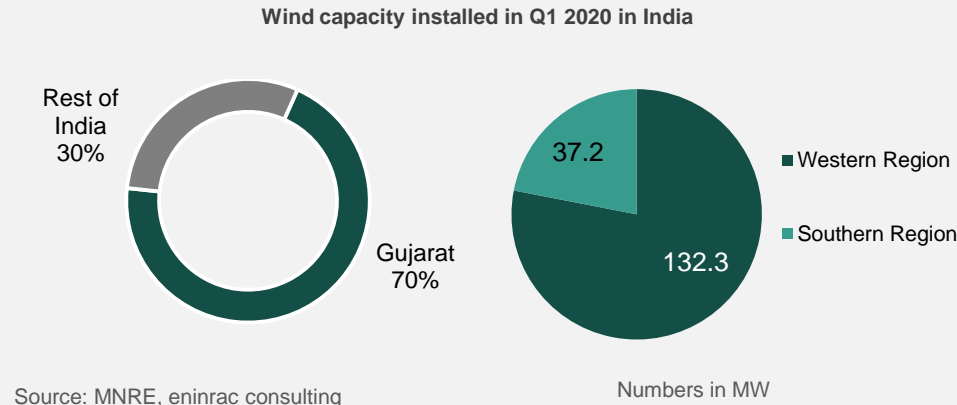
Supply chain disruptions in Wind energy market led to installation of only 188 MW of wind capacity in Q1 2020 in India

During Q1 2020, only 188 MW of wind capacity added in India. Globally, as the supply chain has disrupted, the wind turbine segment also got hit as India imports more than 80% of the wind turbines. Consequently, wind projects stalled the construction leading to lukewarm capacity addition in India.



Gujarat added 70% of the total wind installation in Q1 2020 in India

Gujarat led the wind power installations with commissioning of 1.4 GW of new wind projects followed by Tamil Nadu with 650 MW and Maharashtra with 212 MW in 2019. The supply chain is hit due to Coronavirus crisis all over the globe.



Key Features Expected



Coronavirus Is a Wake-Up Call for Supply Chain Management in Wind energy segment in India

Will Wind turbine companies discover the value of the local supply chain management in wind market or will it be the business as usual?

Deployment Trends - Projects

01 India's wind installation for 2020 likely to fall drastically

It is expected wind energy capacity India will add in 2020 to 1.95GW from an earlier forecast of 2.56GW due to the nation wide lockdown amidst the Covid-19 crisis

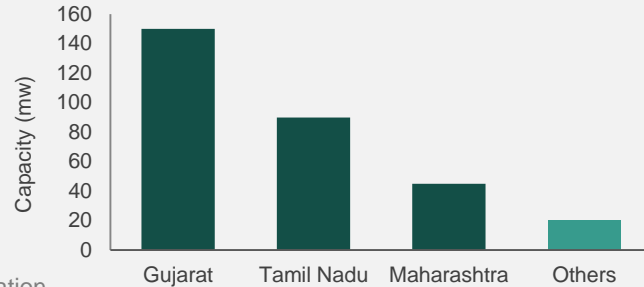
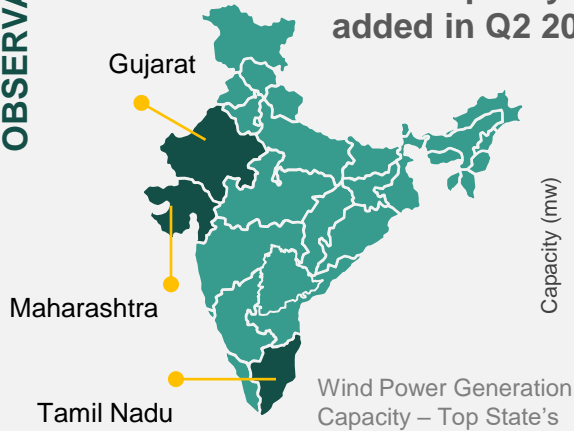
02 NIWE looks to steps up technology integration in Wind segment

The National Institute of Wind Energy (NIWE) has invited tenders for sensors and data loggers with accessories to assess wind and solar resources across the country.

03 Vestas Bags Order for two Wind Projects in Complex Terrains of Vietnam

Vestas has secured an order in Vietnam for two wind energy projects totalling 64 MW and located in complex mountainous terrain in the Quang Tri province.

Wind capacity likely to be added in Q2 2020



Source: eninrac consulting & Channel checks

Quarterly Update – Q2 CY 2020



- COVID-19 pandemic is expected to cause wind commissioning project delays due to disruptions to the supplies from China. Hence, sluggish wind power capacity to be expected in Q2 2020



Key Investments – Q2 2020

- In Q2 2020, the budget outlay was INR 9.20 billion (\$130 million) for wind power in India.
- The National Thermal Power Corporation (NTPC) has floated a tender for 600 MW of interstate transmission system (ISTS) connected wind energy projects in the country.
- GE Renewable Energy to deliver wind turbines for 300 MW wind farm in Gujarat - GE Renewable Energy has secured a contract from the EDF Renewables and SITAC Group joint venture to supply and install wind turbines for 300MW



Key Trends – Power Transmission in India Q2 2020

- Ministry of New and Renewable Energy (MNRE) issued an order to grant a deadline extension for renewable energy projects equivalent to the period of lockdown plus 30 days additional blanket extension without the need for the developers to provide any evidence to provide a buffer period of 'normalisation' after lockdown.
- India's annual wind turbine shipments will be reduced by about 30% and equipment supply may be delayed by more than 6 months. Although deadlines are extended for renewable projects under construction, the industry has also requested a six-month extension of time for commissioning.



Key Signpost – Wind Turbine Market Q2 2020

- The pandemic COVID-19 is anticipated to impact 35-45% of the total transmission capacity additions in 2020. The uncertain around the impact of force majeure is likely to stay till H1 2020 and dampen the commissioning of fresh capacity.
- The Reopening Of PPAs For Wind And Solar Power Plants Is Likely To Put Nearly USD 50 Billion Investments Under Scanner By 2022. Close to 50 GW of the solar and wind capacity was installed as on Dec 2016 are likely to be the case for reopening of solar PPAs which shall impact the investment worth USD 50 billion made by the developers



Contents & Coverage – Q2 2020

01 This Quarter

The section shall showcase the major highlights for wind turbine segment in India and South East Asia including investments, project developments, policy & regulatory interface, M&A etc.

04 Numbers to Learn

All wind power capacity additions with a split on ownership wise, & state wise break up shall be included. Moreover, the numbers for deals secured by wind turbine manufacturers in India as well as South East Asian countries

07 Deployment Trends

The pace of deployment of projects at wind turbine manufacturers levels covering issues like investments, tenders and capacity additions shall form part of this section

02 Key Features

Key features shall cover the major strengths and development map that the industry has shown over the quarter

05 The Eighty - 20 of Industry – What Matters?

In this section the major factors which are acting as the growth catalysts / barriers in the Wind turbine segment are highlighted inclusive of policies, regulations etc.

08 Technology & Price Trends

This section shall cover all the latest technology implementation and trends, price benchmarks of wind turbines in India and South Asia

Wind Turbine Market in India & South East Asia Outlook Update – Q2 2020

03 Leading Edge

The current affairs leading business impacts on Wind turbine market with insightful data analytics & our exclusive “Knowledge Grid” feeds covered in the section. Our analyst's viewpoints with sharp edged objectives shall be central to the section

06 Key Signposts

The business factors which shall govern the course of coming quarters of business and the industry response to the changes shall be the focus area of this segment

09 Industry Activities & Corporate Strategies

All the industry order track & merger's and acquisition activities shall be tracked. Fresh investments in wind turbine sector as per players profiles shall also be tracked in this section



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- Power Transmission Utilities
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- Consultants
- Research Firms/Research Institutions
- Regulatory Bodies
- Government Agencies



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Please call at +91 120 – 4147 000 for any other queries

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Companies Mentioned

- General Electric
- Vestas India
- Suzlon
- Inox Wind
- Wind World
- Indowind Energy Limited
- Siemens Gamesa
- Envision Energy
- Acciona Nordex
- ReNew Power
- Regen Powertech Pvt. Ltd.
- Enercon India Pvt. Ltd.
- Orient Green Power Ltd.
- Enel Green Power India Pvt Ltd
- Senvion India Pvt Ltd
- Continuum Wind Energy India Pvt Ltd
- Hero Future Energies Pvt Ltd
- Indian Wind Turbine Manufacturers Association



The life of a man consists not in seeing visions and in dreaming dreams, but in active charity and in willing service

- Henry Wadsworth Longfellow

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