

Eninrac Weekly - Solar

PM KUSUM Scheme Progress in India

January 2025



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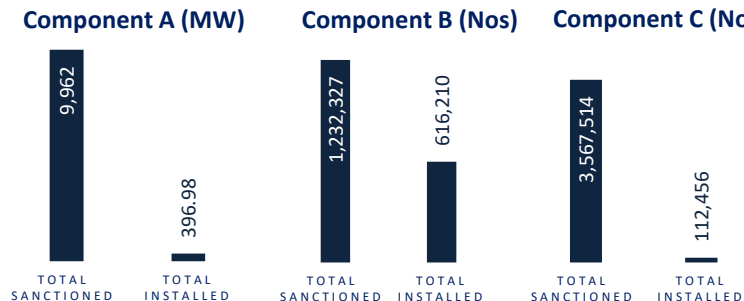
The "Solar Weekly" is an infographic series focused on the solar sector, not to be confused with a weekly market update/newsletter, covering insights from a specific week. Given that these infographic stories are published on a weekly basis, the title "Solar Weekly" reflects their frequency only.

Solar Weekly

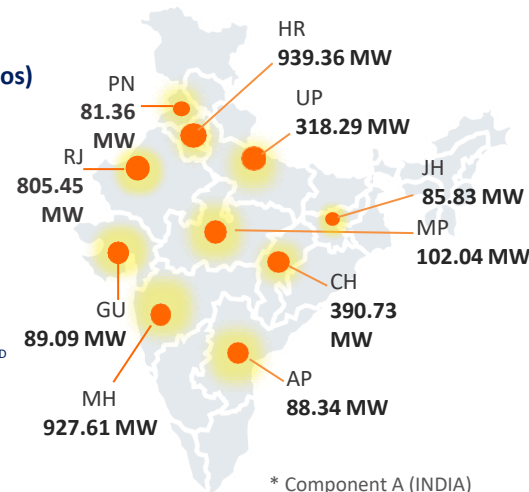
1. PM Kusum Capacity Development

The PM-KUSUM scheme aims to target an addition of 34,800 MW of solar capacity by March 2026. As of 31st December 2024, a total of 4,233.23 MW has been achieved under Off Grid/Kusum. Of this, approximately a total of 396.98 MW has been installed under Component A. The total capacity added in 2024 is approx. **231.98 MW**. Assuming Q2 saw the highest capacity addition due to a strong mid-year policy push, Q3 contributed 87.40 MW, and Q4 accounted for 29.13 MW approximately.

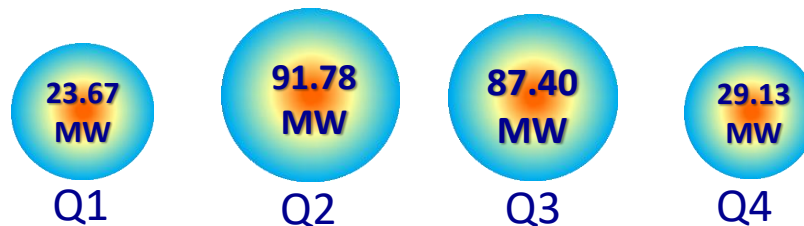
Component Wise Achievement under PM KUSUM Scheme (INDIA) as of Dec 2024



Top 10 Leading Off Grid/KUSUM Solar States *



* Component A (INDIA)
(Data as on 31.12.2024)



Quarter Wise capacity addition in PM KUSUM component A solar capacity for CY 2024

2. Government Announcements & Achievements

Central Government

Component Wise – Key Details

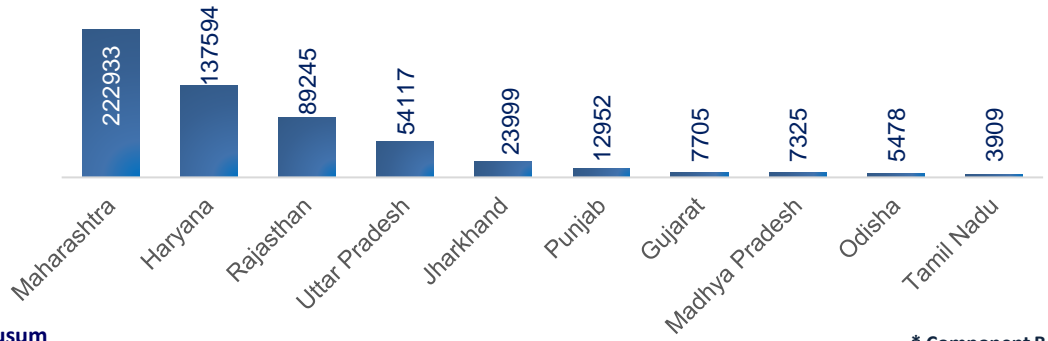
Component A: Procurement Based Incentive (PBI) @ 40 paise/kWh or Rs. 6.60 lakhs/MW/year, whichever is less, will be provided for the first five years by MNRE to DISCOMs, for buying the power from farmers/developers. Component-B & C: CFA of 30% of the benchmark cost or the tender cost, whichever is lower. State Government subsidy 30%; Remaining 40% by the farmer.

State Government

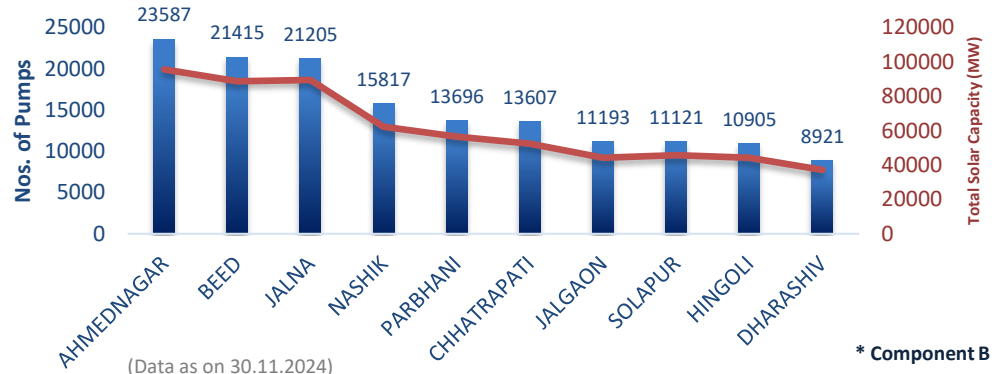
Progress in Leading States - PM Kusum

Maharashtra, Haryana, Rajasthan, and Uttar Pradesh are leading significantly in Component B of the PM-KUSUM scheme for stand-alone agriculture solar pump installations. Maharashtra, in particular, benefits from the Maharashtra State Renewable Energy Policy 2020 and the Government Resolution dated 12 May 2021, which promotes solar energy adoption in agriculture.

Top 10 States for Stand Alone Solar Pump Installation as of Nov 2024



Maharashtra Leading Districts for Stand- Alone Pump Installation *



3. Market Insight

i. Player wise capacity buildup updates

- TREDA aims to install Solar Microgrids in 274 villages and generate 135 MW of Solar Energy by next year.
- The Telangana Government, through TGREDCO, plans to install solar power plants in agricultural fields with a target capacity of 4,000 MW by March next year.

ii. Tariff Approvals

- The petition by PGVCL for tariff approval under the PM KUSUM-C scheme has been approved by the Gujarat Electricity Regulatory Commission (GERC). The approved tariffs range from ₹2.35 to ₹3 per kWh for the 101 solar power projects with a total capacity of 259 MW.

iii. Player wise key investment updates

- Servotech Renewable Power System has secured an INR 31 crore order to install 1,094 Solar-Powered, grid-connected agriculture pumps under the PM KUSUM Scheme in Uttar Pradesh.

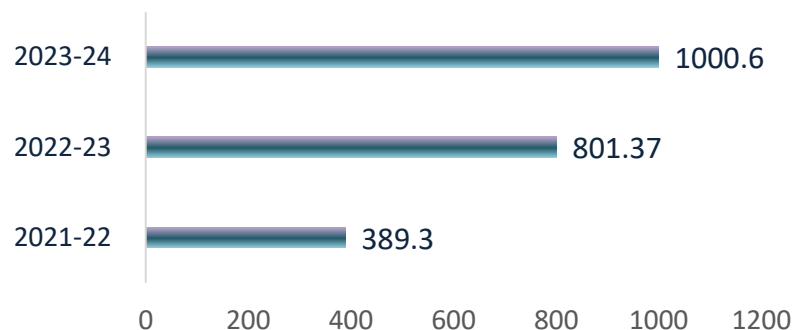
iv. Funding Updates

- Shakti Pumps (India) Ltd has received a Letter of Intent from the Department of Agriculture in Uttar Pradesh for the installation of 12,537 solar water pumps under PM-KUSUM Phase-III, Component-B. This contract is valued at INR 558.16 crore (\$66.65 million).

v. Auction updates

- JVVNL won the auction for the PM-KUSUM scheme in October 2024, with a levelized tariff of ₹3.04 per kWh for 25 years. This competitive bidding process was approved by the Rajasthan Electricity Regulatory Commission (RERC), enabling JVVNL to proceed with the installation of solar power projects under Component-C of the scheme.

Funds Released (INR Crores) under PM KUSUM Scheme FY'2021-22 to FY'2023-24



For more updates on solar industry, visit <https://einfews.energyinfra.market/search?q=solar>

4. Capacity Outlook

Projected Installation of Pumps

COMPONENT B

In 2023, approximately 28.6% of the sanctioned stand-alone solar pumps were installed, and in 2024, as of Nov, this figure rose to 44.1%. Representing a 15.5% growth in installation rate annually.

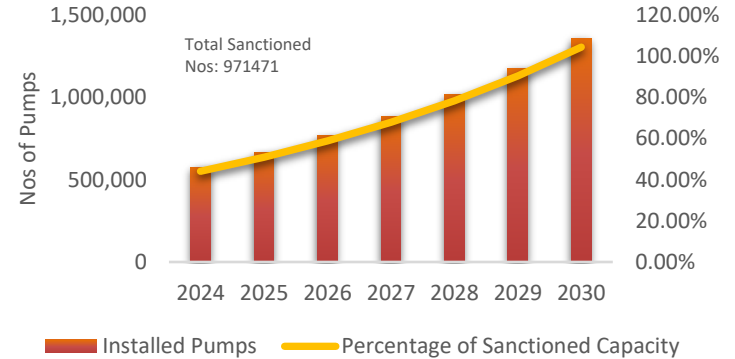
COMPONENT C

In 2023, approximately 0.15% of the sanctioned solarization of stand-alone agriculture pumps were installed, and in 2024, as of Nov, this figure rose to 2.40%. Representing a 2.25% growth in installation rate annually.

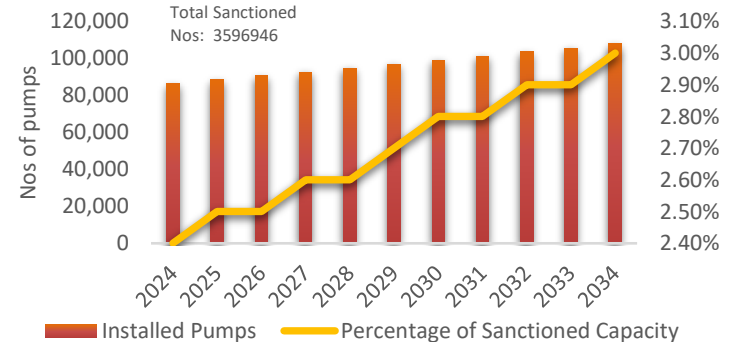
- At a 15.5% annual growth rate, Component B is expected to meet the sanctioned capacity by Year 6.
- By Year 5, the installed pumps will cover 90.34% of the sanctioned capacity, showing steady progress toward the target.
- By Year 6, the installed pumps will reach the sanctioned capacity and slightly exceed it by 4.30%

- By 2034, approximately 3.0% of the sanctioned pumps will be installed.
- It will take more than a decade to reach the sanctioned capacity at the current growth rate.
- The growth rate is modest, indicating a slow increase in the number of installed pumps.

Component B Projected Growth



Component C Projected Growth



ABOUT ENINRAC

Eninrac has been dedicated to propelling businesses forward by crafting innovative solutions that seamlessly connect them with a realm of opportunities. Our knowledge services combine domain knowledge, market insights & outlook which enable clients with an exclusive “difference margin” and empower them to make confident business decisions backed by authoritative intelligence. Our core belief is that every company, regardless of its scale, should experience the exhilaration of growth.

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