

# Competitive Bidding for Wind Projects

## Key Trends, Risks, Alternatives and Outlook

From the discontinuation of generation-based incentives (GBIs) and phase-out of the accelerated depreciation (AD) benefit starting April 1, 2017, to the replacement of the feed-in tariff (FIT) mechanism with competitive bidding, the past one and a half years have been quite eventful for the wind power sector. On the one hand, the withdrawal of GBIs and the AD benefit led to the highest-ever wind capacity addition (about 5.5 GW) in 2016-17, while on the other, the transition from FITs to auctions led to the discovery of all new wind tariffs of sub-Rs 2.50 per kWh. Already, five auctions have been conducted by the Solar Energy Corporation of India (SECI) and two state nodal agencies while many more are lined up for the coming year. As more capacity gets auctioned, new trends are emerging in the Indian wind power space. The overall industry structure is changing and the funding scenario is also maturing with new financing instruments being explored by players. The policy and regulatory framework is also evolving to accommodate as well as facilitate sector growth. The report "Competitive Bidding for Wind Projects" will elaborate on the key emerging trends in the sector, highlight the risks faced by stakeholders, assess alternatives and present an outlook.

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