In August 2012, according to India's Ministry of New and Renewable Energy (MNRE), India has crossed 1GW in installations. In 2010, the Indian government approved its first solar power plan called the "Jawaharlal Nehru National Solar Mission" (JNNSM), which aimed at increasing the solar power capacity from less than 5MW to 1GW by 2013, and 20GW by 2022.

In November 2011, in a statement made by the MNRE minister Farooq Abdullah, he clarified that "local content" or "domestic content" provisions would come into force only if the purchase of solar power was made through **NVVN** (National Vidyut Vyapar Nigam), which is a designated purchaser of energy from projects under JNNSM Phase I. The minister has also clarified that there were no general import restrictions and the government had already made solar products import tax-free commodities. At the time, the minister reiterated that guidelines for JNNSM were applicable to solar photovoltaic silicon modules for the duration of Phase I of the projects. Solar silicon cells were to be classified as domestic content for the second batch of Phase I; however, the policy has exempted thin-film products from those limitations, favoring companies like American **First Solar (NASDAQ:FSLR)** in the process.

To date, domestic concerns included quality issues with installations of solar plants made by local companies, as in the case of **Tata Power Delhi Distribution (TPDD)** managing **Moser Baer PV** .
TPDD had awarded three solar projects to Moser Baer and afterwards complained that received plants were below industry standards. Moser was faulted for not meeting its deadlines and using poor quality machinery and manpower, which has resulted in high system losses of guaranteed electricity. Further, the developer allegedly failed to offer adequate customer service and support to the clients. Beyond this, there were concerns over the pace of the JNNSM, its domestic content and the minuscule local manufacturing capacity with under 500MW of module and 300MW of cell, to supply for the needs of this and other programs. There are at least six concurrent state policy programs and REC mechanisms under which developers can supply solar products without DCR.

Due to a lack of experience shown by companies bidding for projects, the Indian state of Uttar Pradesh (U.P.) has published (August 2012) a draft solar policy offering 1GW of development for experienced domestic developers, including international operators. The developers needed to have prior capital investments ranging from INR100M (EUR1.5M) to INR500M (EUR7.7M), depending on the size of the project bid for, on grid-connected solar power projects. This reduced eligible entities in India to only those developers who were commissioned for projects

under the JNNSM and other policies. International developers, especially those from the US, Germany and China, were able to qualify.

On November 23, 2012, India's Ministry of Commerce and Industry said there was sufficient evidence to warrant an investigation into the dumping claims filed by local manufacturers **Indosolar Limited (NSE:INDOSOLAR)**
,
Jupiter Solar Power Ltd.
and
Websol Energy System Ltd(NSE:WEBELSOLAR).
However, the subject of the investigation is not China only. The investigation will include cells made in the US, Malaysia and Taiwan.

First Solar claims to have a 20% market share in the region, which is part of the 1GW installations. The company and the US banks have been under fire from India's **Centre for Science and Technology (CSE)**
, accusing them of running India's domestic PV Industry, eliminating local competition by providing financing only to the Arizona-based company and using a loophole in the JNNSM rules to fill the quota with low efficiency thin-film modules, a controversy excellently covered in PV-Magazine
. Considering the inclusion of Malaysia under the investigation, First Solar is unquestionably targeted, having the majority of its manufacturing in that country.

In comparison to Europe and the US, to date India has played a small part in Chinese exports. In recent announcements, however, the Indian market could have been seen as an offset to dwindling European volume and, due to levies, the US market. Despite rumors circulating for months, the announcement will certainly put another impeding factor on free growth of the industry. If Taiwanese cells are shown to be dumped into the region, it will also eliminate the entire value-added potential offered by Taiwan to the Mainland China manufacturers using the hub right now to circumvent American tariffs.

For example, **Hanwha Q.CELLS** brand of cells is made in Malaysia, allowing for a full advantage in the US market for the **Hanwha SolarOne (NASDAQ:HSOL).** That would not work for India if Malaysian-produced cells had a tariff attached.
Canadian Solar (NASDAQ:CSIQ
) also purchases cells in the country for the US market. In the second half of 2011 Canadian Solar delivered 33MW of modules to India and continues to ship modules this quarter.

ReneSola Ltd. (NYSE:SOL) has been sending wafers to India to build cells with the objective to provide 250MW of domestically assembled modules over the next two years, as announced in November. The company outsourced business to Websol Energy Systems, the complainant named in the case. ReneSola's case once again show an excellent foresight, having limited cell manufacturing and basically using Taiwan to make its cells for the US market to completely avoid the US tariffs. Since wafers are going to be the only export to the country, and those are not in the scope of the investigation, the company will be not targeted.

Another heavily engaged company is **China Sunergy (NASDAQ: CSUN).** The company supplied 45MW of modules to two projects in Gujarat in 2011. This year Sunergy supported the 2nd India Energy Summit, and CEO Stephen Cai spoke of funds for EPC projects to be offered through Sunergy's channels.

Overall, Chinese exports to India during Q3 2012 included approximately 53MW of modules, with **Trina Solar Limited (ADR)(NYSE:TSL)** leading Chinese exporters with 30MW of modules shipped in September alone. Trina has supplied to India before, mainly under the Gujarat solar policy. Prior to August, Trina's estimated shipments were worth 100 MW. Another significantly important quantity in Q3 was the 10MW exported by
Chint/Astronergy
.

In the case of cells, the Q3 exports from China were around 20MW; **JA Solar Holdings Co., Ltd. (NASDAQ:JASO)**
led, while
Hareon Solar Technology Co Ltd (SHA:600401)
followed as a distant second with 5MW. Declared ASP of exported solar products during that quarter, when including thin-film, averaged $ 0.70 per watt for modules and $0.54 for cells, totalling $48M for both categories.

Chinese export module data for October 2012 points to 34MW (details available at SPVI Solar Reports
), suggesting recent efforts to supply more modules have been intensified. BRIDGE TO INDIA, a research and consulting firm based in India, has stipulated that prior to any action seen, and not earlier than August 2013, exports to India will see a dramatic increase to avoid tariffs and to create a condition of saturation before 20 to 30% of added penalties can curb future trade

levels.