

Residential rooftop solar installations in India outpace commercial and industrial sectors

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Finally, the rooftop solar segment in the country seems to be catching up, and not just catching up, but is growing fast. There has been a significant increase in rooftop solar installations in the first nine months of 2024, surpassing annual installations of all previous years. That's not all. For the first time, the residential sector is outpacing commercial and industrial. India added a record 1.9 gigawatts (GW) of rooftop solar capacity in the first nine months (9M) of calendar year (CY) 2024. Installations in the first nine months surpassed even annual installations of all previous years. Installations rose nearly 45 per cent year-over-year (YoY) compared to the 1.3 GW installed in 9M 2023. That's what the latest report from Mercom India on: Q3 2024 India Rooftop Solar Market, suggests.

The rooftop solar market has seen a remarkable turnaround, thanks to the PM-Surya Ghar initiative, that's what experts feel. The residential sector is now at the forefront of this growth, outpacing the commercial and industrial segments for the first time. To sustain this unprecedented growth, addressing supply chain challenges remains critical, feels Raj Prabhu, CEO of Mercom Capital Group.

In the third quarter (Q3)



of 2024, a record 791.1 MW of rooftop solar capacity was installed, marking the highest quarterly additions to date. This represents over 8 per cent increase quarter-over-quarter (QoQ) and an impressive 84 per cent year-over-year (YoY) growth.

There is no doubt whatsoever that installations in Q3 and 9M 2024 were primarily driven by the PM-SURYA GHAR: MUFT BIJLI YOJANA initiative. In fact, the programme significantly boosted capacity additions in the residential segment, contributing nearly 85 per cent of installations during the quarter.

Compared to residential

rooftop solar segment, the industrial segment accounted for 12 per cent of the quarter's installations. Commercial and government segments accounted for over 2 per cent and almost 1 per cent of capacity additions, respectively, in Q3 2024. Rooftop solar capacity additions under the capital expenditure (CAPEX) model, on its parts, accounted for almost 89 per cent of the quarter's installations.

Significantly, as of September 2024, India had a cumulative installed rooftop solar capacity of 12.4 GW. Kerala, in down South, registered the highest compounded quarterly growth

rate of more than 8 per cent between Q3 2023 and Q3 2024. In Q3 2024, 371.1 MW of rooftop solar tenders were issued, down more than 30 per cent from 533.6 MW in Q2 2024 and up over 211 per cent compared to the 119.3 MW announced in Q3 2023. Couple with all these facts and figures, one also has to keep in mind that the average cost of rooftop solar systems rose almost 2 per cent QoQ and was down more than 3 per cent YoY.

With a little bit of extra push, rooftop solar segment can turn out to be a true game-changer in the Indian renewable space, going forward.

