

MNRE retains ALMM deadline

26 May 2026

The Ministry of New and Renewable Energy (MNRE) has retained 1 June 2026 Approved List of Models and Manufacturers (ALMM) List-II deadline for net-metering and open-access solar projects while providing a case-by-case exemption mechanism for projects that have already made sizeable investments. The policy is set to accelerate indigenization of solar cell manufacturing by shifting demand from imported cells from China to domestic producers, supported by a planned increase in ALMM-approved cell capacity from 27GW currently to around 150GW by FY30. With India's solar capacity set to rise from 154GW to 364GW by FY32, annual solar cell demand is likely to remain robust. The policy would benefit integrated solar equipment manufacturers, such as Waaree Energies, Premier Energies, Vikram Solar, and Emmvee Photovoltaic via greater backward integration and improved near-term margin, although rising industry capacity and increased competition may keep long-term profitability under pressure.

No blanket extension for ALMM II: The ministry clarified there will be no blanket extension of 1 June 2026 deadline, requiring all net-metering and open-access solar projects commissioned on or after that date to use both ALMM List-I modules and ALMM List-II cells; however, to protect investments already made by developers, projects that have either completed installation of 100% of required modules before 1 June or have undertaken sizeable development steps—including possession of at least 75% land, financial closure, connectivity approval, electrical drawing approval, and significant module procurement & installation—may apply for a project-specific exemption from the ALMM List-II cell requirement through the National Institute of Solar Energy (NISE) portal by 30 June 2026, with claims to be assessed by an MNRE-appointed expert committee. The ministry noted developers affected by disruptions arising from the ongoing West Asia conflict may seek *force majeure* relief in line with the Ministry of Finance guidelines, which permit a 2–4 month extension of contractual obligations on a case-by-case basis without penalties.

Reducing import dependency on China: Currently, solar cells are largely imported from China at a cost of around USD 0.06/W, significantly lower than domestically manufactured alternatives. The implementation of ALMM List-II is set to accelerate indigenization of solar cell manufacturing in India by directing demand toward domestically produced cells, thereby supporting the development of a local manufacturing ecosystem. India's ALMM-approved solar cell manufacturing capacity currently stands at 27GW and is set to expand to 150GW by FY30. Concurrently, the National Electricity Plan (NEP) targets an increase in installed solar capacity from around 154GW currently to 364GW by FY32, implying annual capacity addition of roughly 42–50GW. This is set to create sustained demand for solar cells, with the net-metering and open-access segments alone estimated to account for nearly 20GW (AC) of annual demand.

Positive for equipment suppliers: Major solar equipment manufacturers are undertaking significant investment to expand cell manufacturing capacity and strengthen vertical integration across the solar value chain. Waaree Energies plans to increase will capacity from 5.4GW to 15.4GW by FY28, while Premier Energies targets an expansion from 3.6GW to 10.6GW by FY28. Vikram Solar aims to establish 12GW of cell capacity by FY28, and Emmvee Photovoltaic plans to scale up from 2.9GW to 8.9GW during the same period. The implementation of ALMM List-II is set to be favourable for these manufacturers, as it is likely to drive incremental order inflows toward domestic cell producers. In addition, increasing backward integration into cell manufacturing reduces dependence on third-party suppliers and enables access to low-cost, in-house cells, which could support profitability and margin expansion in the near term. However, in the long term, sizeable industry-wide capacity additions and widespread adoption of backward integration are likely to drive competition, potentially limiting margin expansion and keeping profitability under pressure.

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Specifications of MNRE notification

- ▶ **Scope of the order:** The notification primarily applies to net-metering and open-access renewable energy projects that are scheduled to be commissioned on or after 1 June 2026.
- ▶ **Industry representation:** Developers and industry participants had sought an extension of the ALMM List-II implementation timeline, citing supply chain disruption and project delays, arising from the ongoing West Asia conflict and related *force majeure* events.
- ▶ **MNRE approach:** While retaining the original implementation date to ensure policy certainty for the domestic solar manufacturing ecosystem, the MNRE has introduced a project-specific exemption framework to safeguard investments already committed by developers rather than granting a blanket extension.
- ▶ **Eligibility for exemption:** Projects may be considered for relief from the ALMM List-II cell requirement where either 1) solar module installation has been completed but commissioning remains pending, or 2) substantial project development activities have already been undertaken prior to 1 June 2026.
- ▶ **Category I – Fully Installed Modules:** Projects where 100% of the required solar PV modules have been installed on-site before 1 June 2026 may qualify for exemption, subject to submission of certification from the relevant Electrical Inspectorate or competent authority confirming completion of module installation.
- ▶ **Category II – Advanced Project Development (“Effective Steps”):** Developers must satisfy prescribed conditions, including: 1) possession of at least 75% of the project land before 1 June 2026, supported by ownership, lease or allotment documents, 2) achievement of financial closure prior to 1 June 2026, evidenced through lender approvals, financing agreements, guarantees and related documentation, 3) receipt of in-principle grid connectivity approval before 1 June 2026, 4) approval of electrical drawings and Single Line Diagram (SLD) by the Electrical Inspectorate before 1 May 2026, 5) demonstration that either 100% of required modules have reached the project site or more than 50% of modules have been installed before 1 June 2026, supported by GST invoices, eWay bills, geo-tagged photographs, and installation certifications.
- ▶ **Application and Review Process:** Eligible developers must submit claims through the dedicated NISE online portal by 30 June 2026. Physical submissions will not be accepted, and all applications will be evaluated on a project-by-project basis by an expert committee constituted by the MNRE.

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