

Solar in 2026: Diverging global and Indian market dynamics

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Agenda

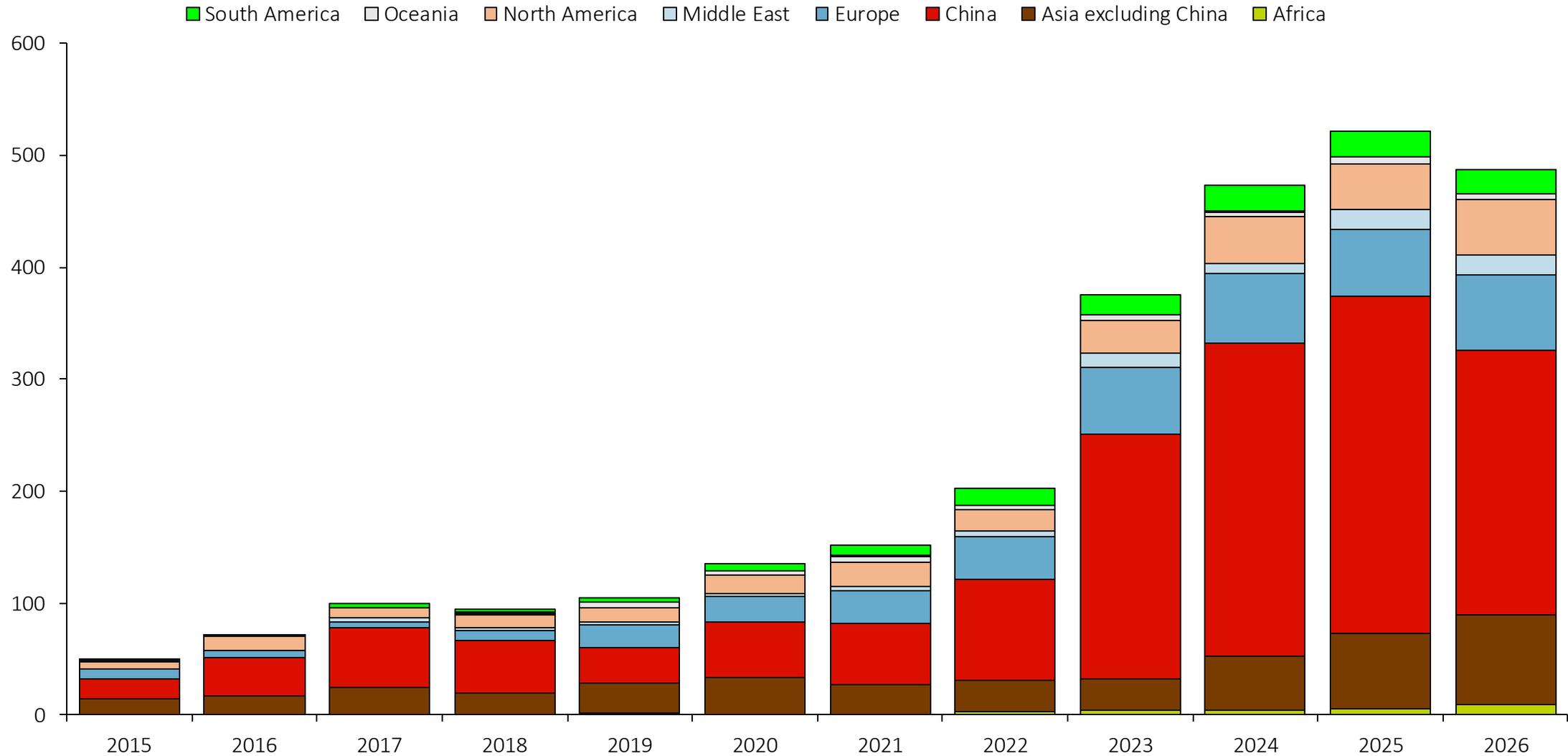
1. Global 2026 solar outlook
 2. Key challenges for the global solar sector in 2026
 3. Indian 2026 solar outlook
 4. Headwinds and tailwinds in India's solar sector in 2026
- 
- A decorative graphic at the bottom of the slide consists of a series of vertical lines of orange dots. These lines are arranged in a wave-like pattern that starts on the left, dips down, and then rises towards the right, creating a sense of movement and depth.

Rystad Energy's global 2026 solar outlook



Market headwinds likely to result in first year-on-year decline in PV installations

Regional solar PV installations in Gigawatts (GW_{AC})



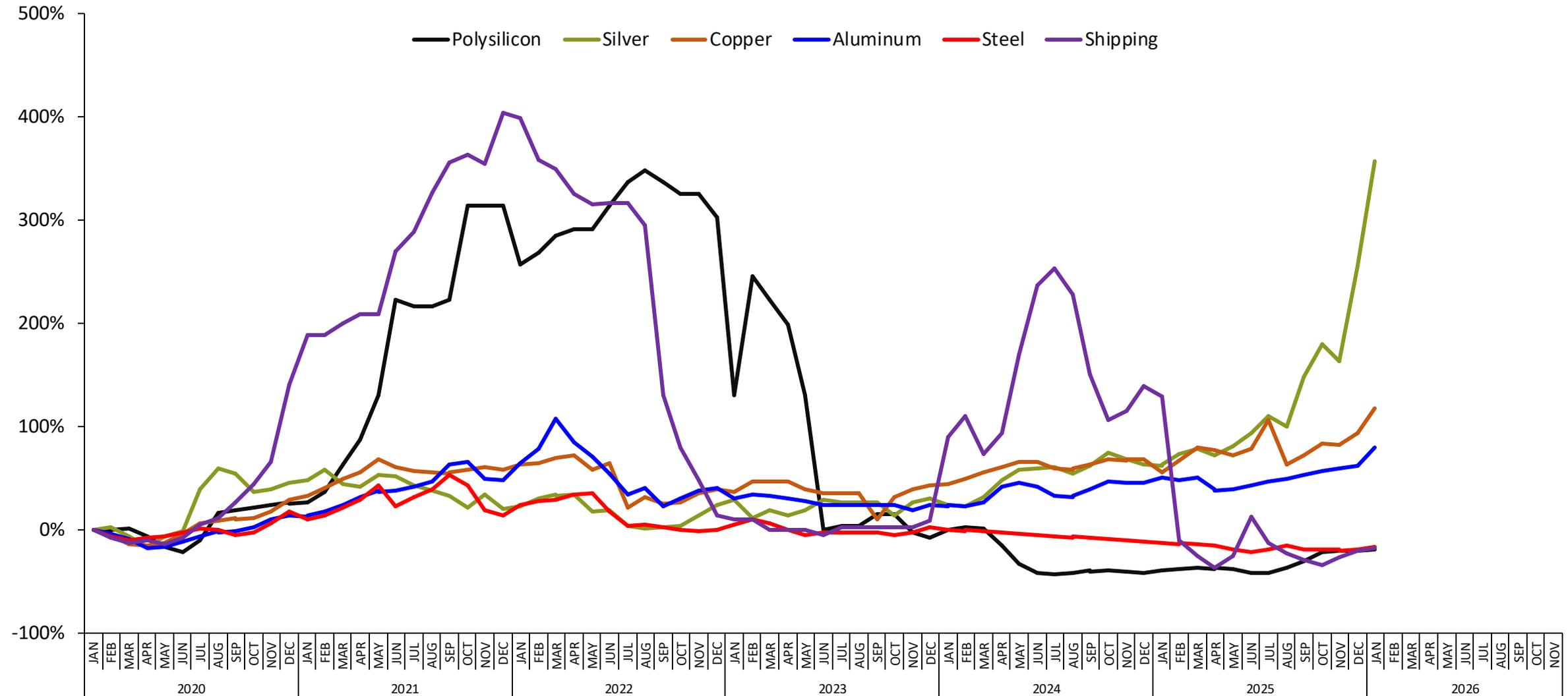
Source: Rystad Energy PowerCube

Headwinds for the global solar sector in 2026



Soaring silver prices stack cost pressure onto module manufacturers

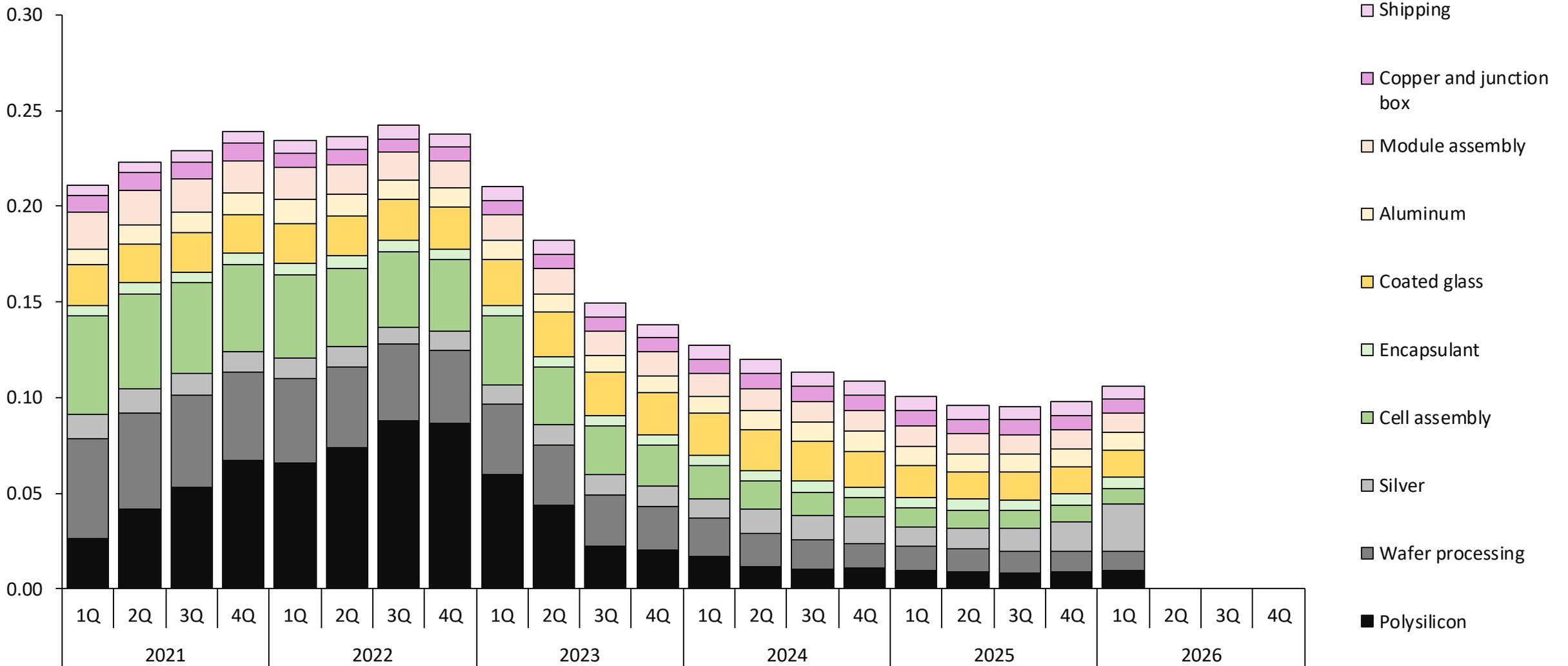
Key PV module commodity prices relative to January 2020 (Percentage)



Source: Rystad Energy research and analysis

PV module costs revert to 4Q24 levels in 1Q26 (so far!)

USD per watt peak

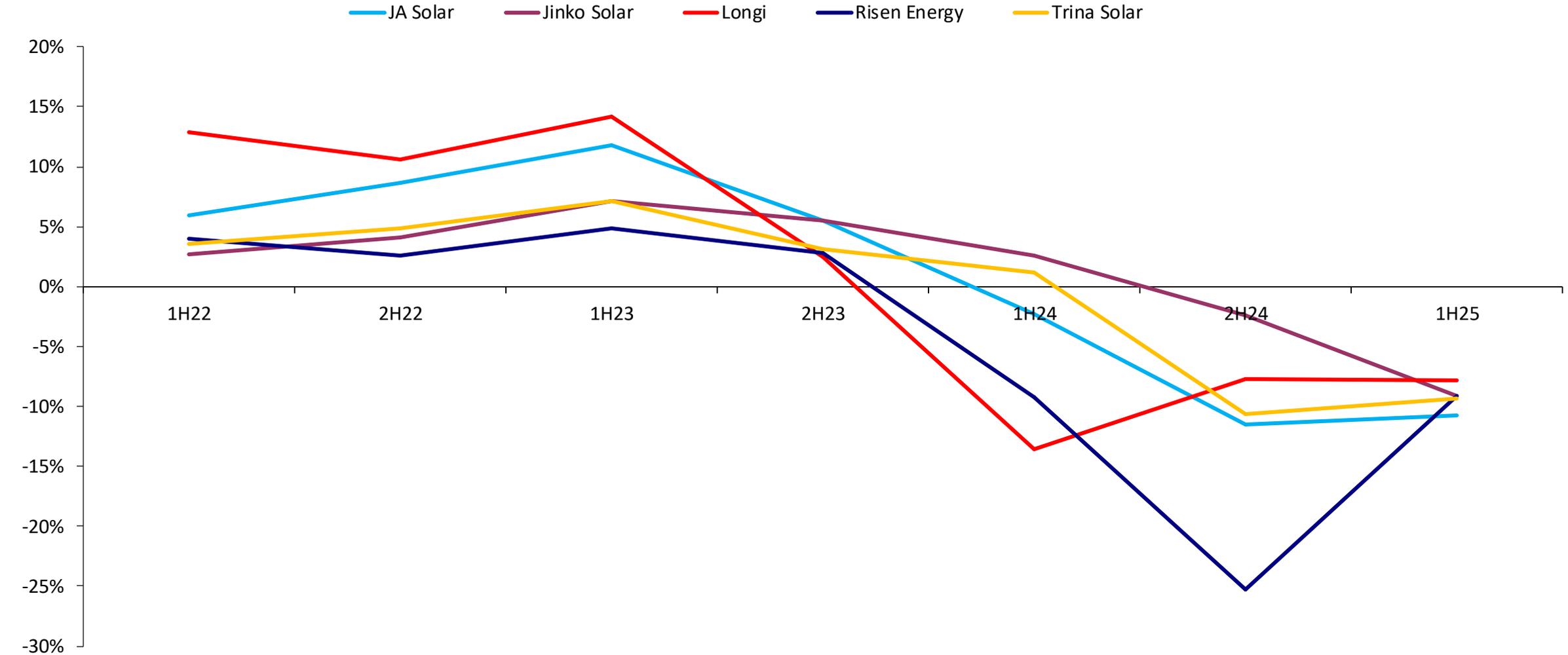


Source: Rystad Energy Solar Supply China Dashboard

Note: Data based on N-type M10 tunnel oxide passivated contact (TOPCon) modules

Profitability hits the red for several key Chinese module providers

Net income margin (Percentage)



Note: "Net income" refers to net income attributable to shareholders (restated) of the respective companies listed in China

Source: Rystad Energy research and analysis

Several key APAC nations to reach solar saturation by 2030, boosting energy storage development

Country	Solar % (2025)	Solar % (saturation year*)	Saturation year*
Australia 	20%	12%	2021
China 	10%	10%	2025
India 	9%	11%	2026
Philippines 	5%	12%	2027
Vietnam 	8%	11%	2033
Malaysia 	3%	19%	2035
Thailand 	3%	23%	2037
Indonesia 	< 1%	15%	2042

* Solar saturation indicates the year in which minimum stable level inflexible energy sources (i.e. coal) + solar capacity exceed average power demand

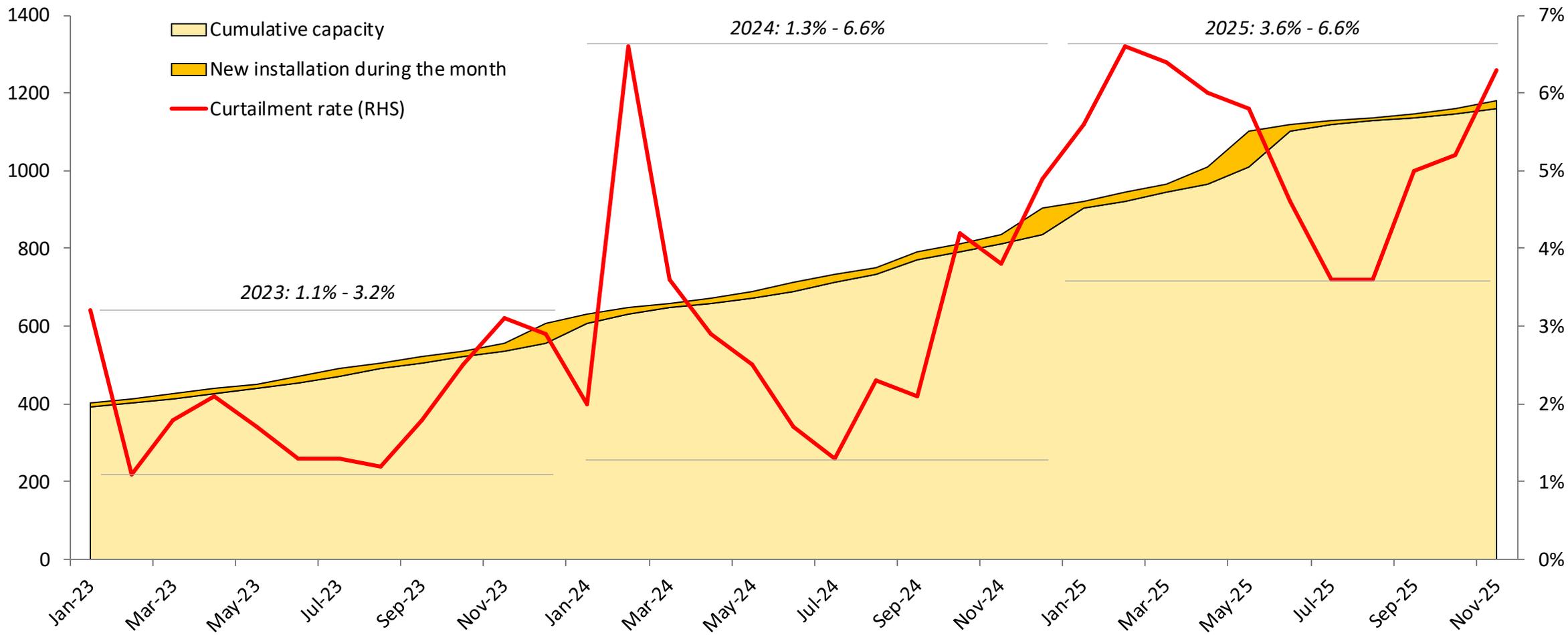
Source: Rystad Energy research and analysis; PowerCube



China: Curtailment increases 60% year-on-year in 2025

Solar PV installations in Gigawatts (GW_{AC})

Curtailment rate (Percentage)

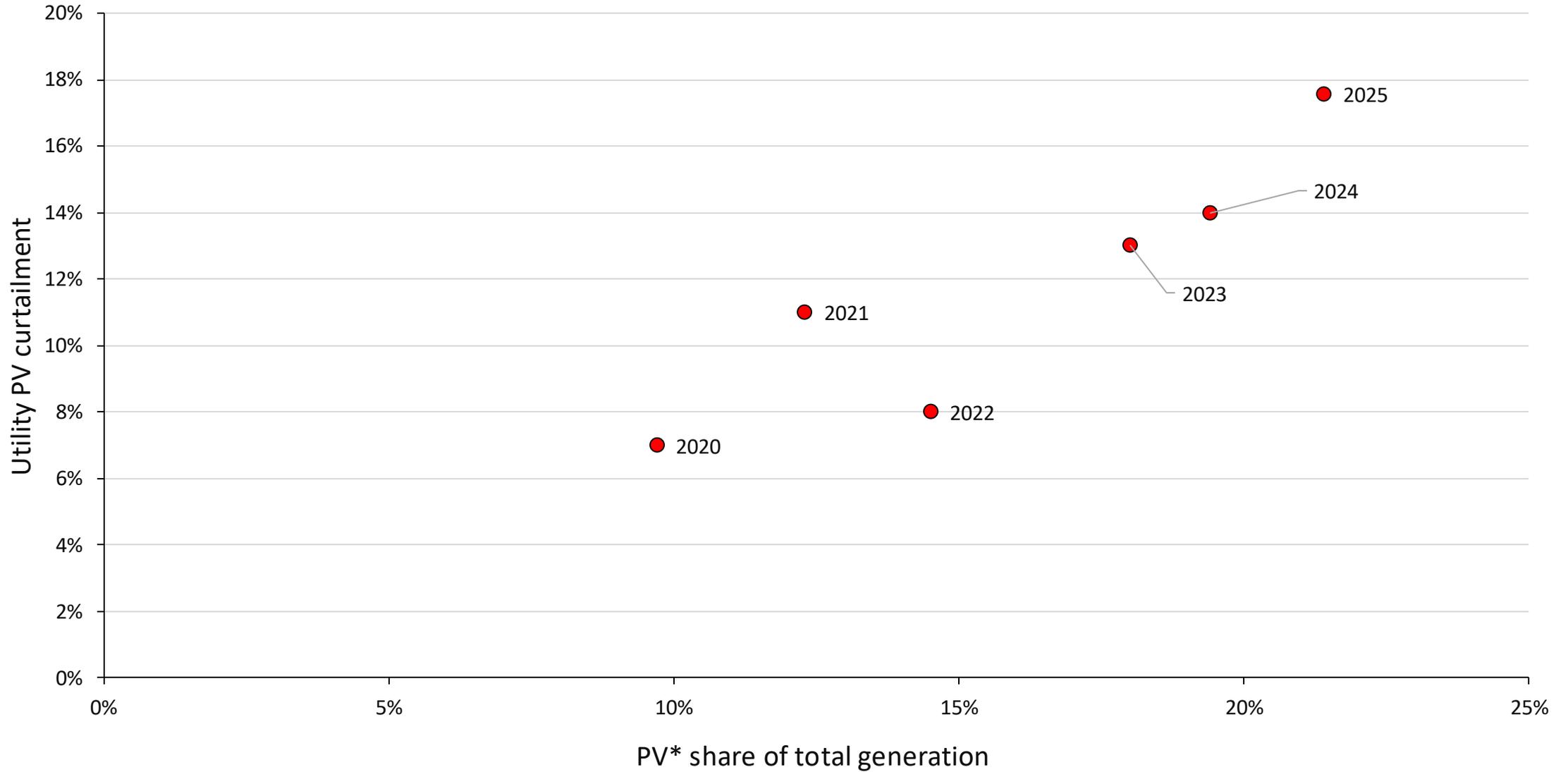


Source: Rystad Energy China Renewables & Power Regional Dashboard, Rystad Energy research and analysis



Australia NEM: Utility PV curtailment hits record high of 18% in 2025

Percentage



*Includes both utility and rooftop PV
Source: Rystad Energy research and analysis



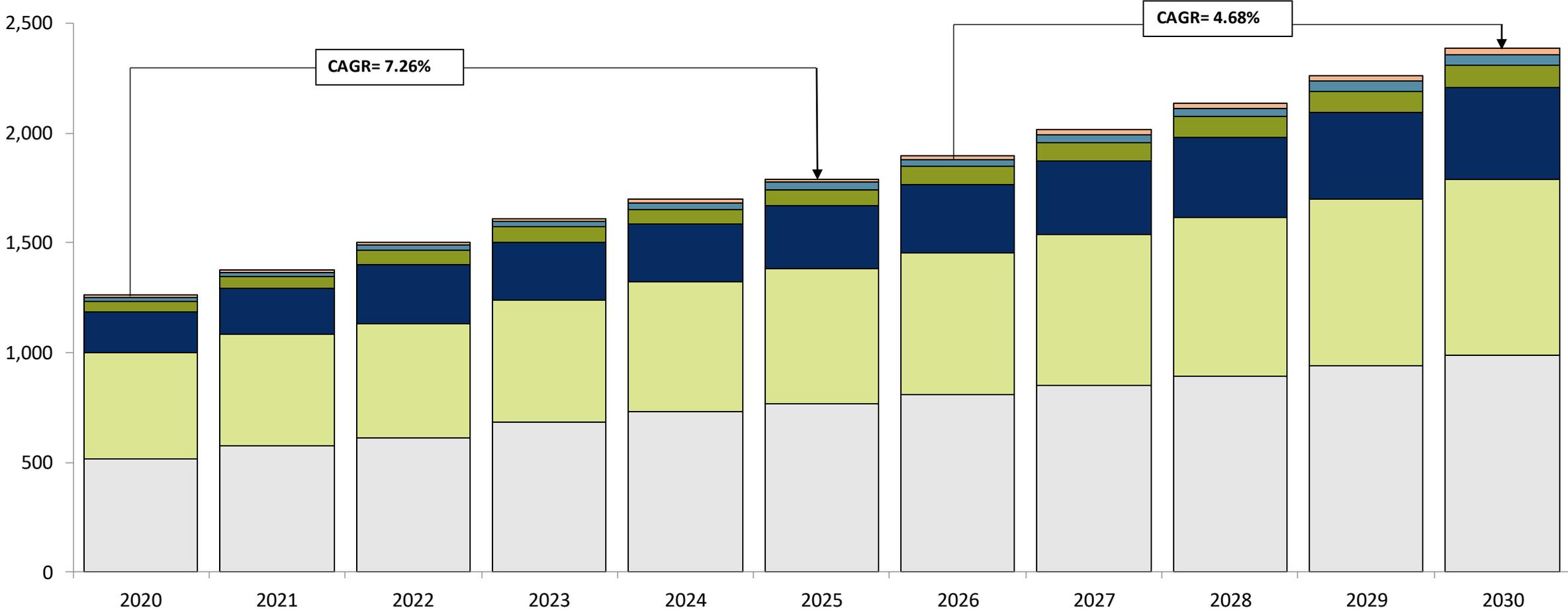
Rystad Energy's India outlook



Domestic power demand to grow steadily to end of decade, driven by industrial and household demand

Demand in terawatt hours (TWh)

Industry Household and commercial Energy sector Agriculture Transport Data centres



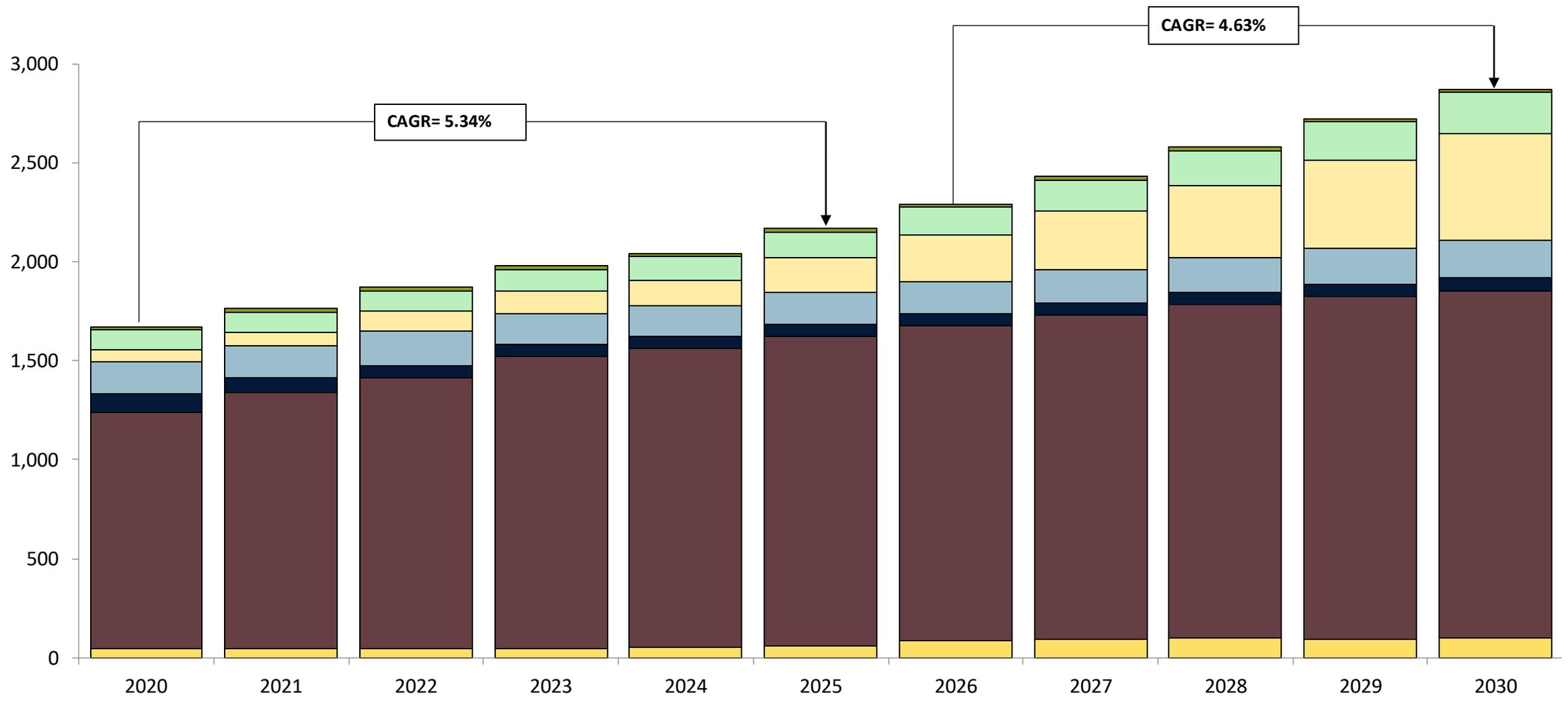
Source: Rystad Energy PowerCube



Coal is King in the mid-term, solar PV set to drive long-term growth

Generation in Terawatt-hours (TWh)

■ Nuclear ■ Coal ■ Other conventional ■ Hydro ■ Solar PV ■ Onshore wind ■ Other non-conventional



Source: Rystad Energy PowerCube

Headwinds and tailwinds

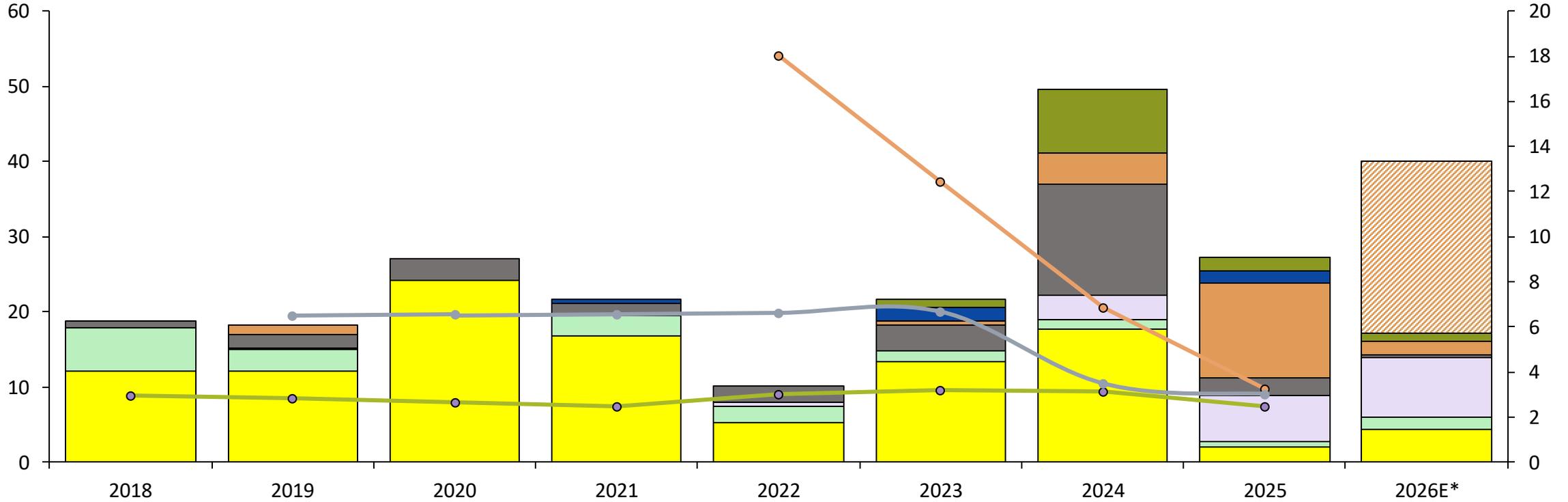


Competitive BESS-related tariffs and strong market appetite cause standalone PV auctions to go stale

- Standalone solar
- Standalone wind
- Standalone battery
- Hybrid
- Solar with BESS
- Round the clock (RTC)
- Firm and dispatchable renewable energy (FDRE)
- Expected auction capacity
- Standalone battery tariff
- Solar with BESS tariff
- Standalone solar tariff

Awarded capacity in Gigawatts (GW_{AC})

Average tariff in INR per kWh (INR/kWh)



Solar with BESS projects have a 50% BESS capacity requirement of the total solar capacity of the project.

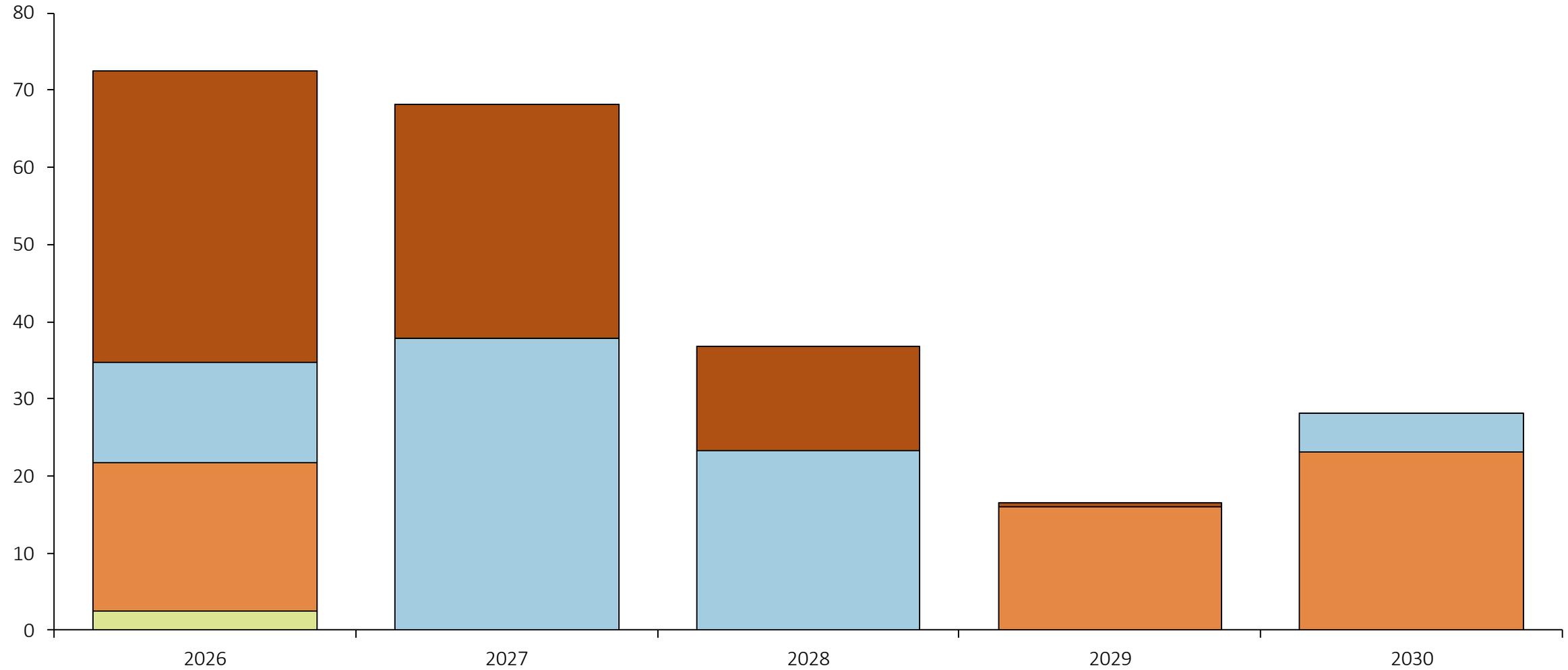
*2026E signifies the expected auction capacity to be awarded in the current year

Source: Rystad Energy PowerCube; Rystad Energy research and analysis

200+ GW of additional ISTS substation capacity to be commissioned by end of decade

Substation capacity in Gigawatts (GW)

■ Northeastern ■ Northern ■ Southern ■ Western



Source: Rystad Energy research and analysis; Central Electricity Authority (India)

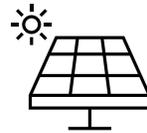
Budget allocation for renewable energy up 30% year-on-year



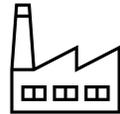
Funding for Surya Ghar Muft Bijli Yojana up 10% year-on-year to INR 22,000 crore



INR 5,000 crore allocated to KUSUM scheme



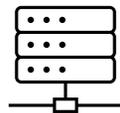
INR 1,775 crore allocated to large-scale solar project development



Basic custom duty exemptions on sodium antimonate



Basic custom duty exemptions on capital goods used for Li-ion cell manufacturing

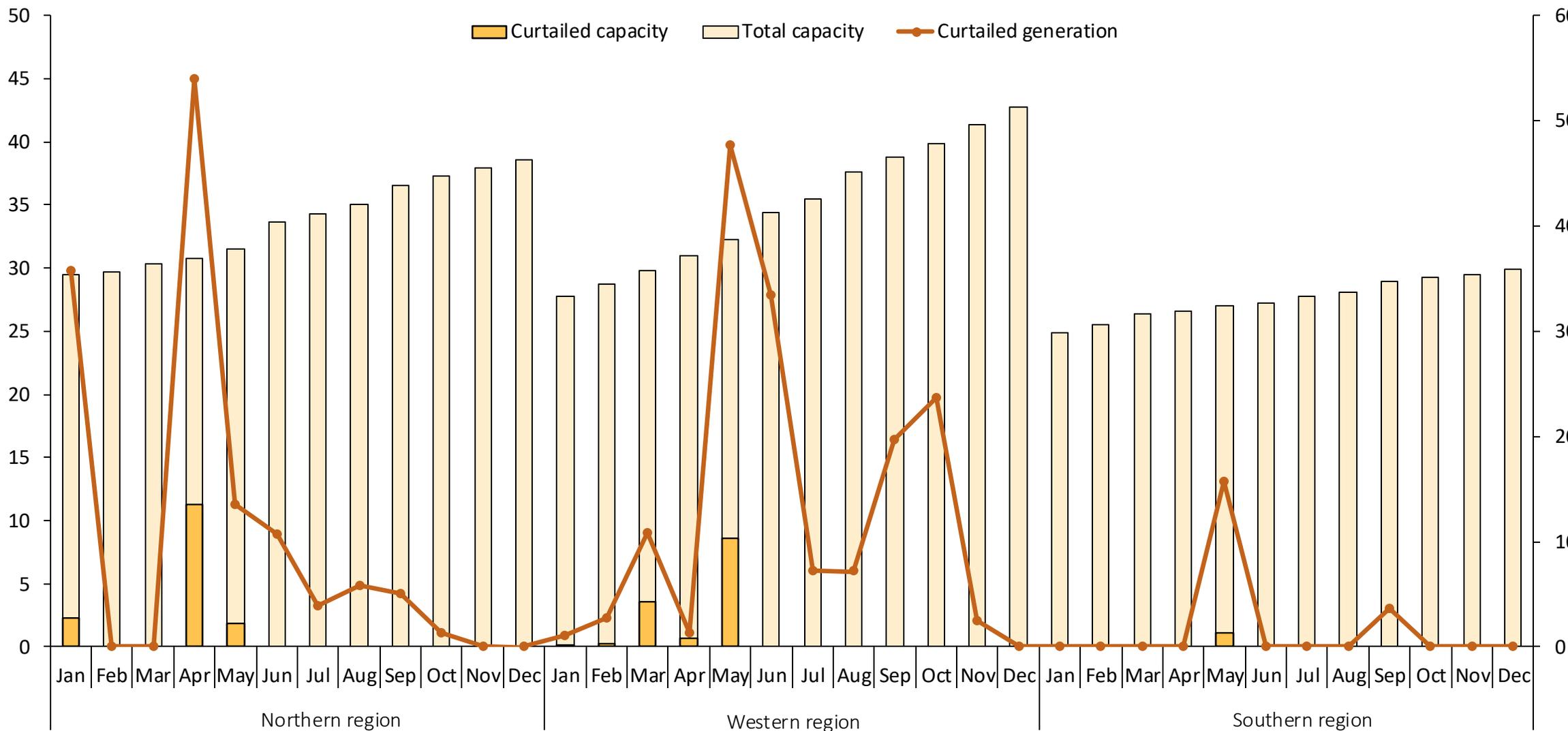


Tax holiday for data center developers until 2047

250+ GWh of solar PV curtailed in 2025, a sign of things to come this year

Installed capacity in Gigawatts (GW_{AD})

Curtailed solar in Gigawatt-hours (GWh)



Source: Rystad Energy research and analysis; Central Electricity Authority (India)





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