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With the wind blowing in its direction and the sun shining bright, things have never been so good for the renewable energy sector in the country. The Centre's plans for the renewable energy sector have remained mere intentions so far. But all that is set to change with the Government becoming serious about promoting the sector, not just to increase the power generation capacity, but also to promote Green Power.

Solar mission

The Centre recently announced a national Solar Mission, to have 22,000 MW of grid-connected solar power by 2022, from almost next to nothing now. It is considering extending the generation-based incentive scheme for wind power to cover a larger capacity. The scheme provides 50 paise a kWh as an incentive for wind power projects that feed electricity to the grid without availing of the tax benefits that are given is now available only for 50 MW. With the wind power industry lobbying for extending the scheme, the Centre is set to increase the cap for availing of the benefits. Of course, solar and wind energy are just two of the renewable energy sources that are being tapped. There are others such as mini- and micro-hydel projects and biomass, which too are being put up, albeit in a disaggregated manner that they are not yet considered in the mainstream of the power generation programme.

The renewable energy programme is not without its critics.

The main complaint is that renewable energy sources are not reliable enough for power sector managers to plan and manage the grid effectively. Power from renewable energy sources is expensive, when compared with coal-based power or from hydro-electric sources. The capital cost of Green Power is high — Rs 5.5-6 crore a MW for wind and more than Rs 15 crore a MW for grid-connected solar power.

The important complaint against players in the Green Power sector is that they always adopt a moral high ground, making it next to impossible to have any rational discussion, let alone an argument.

Hidden subsidies

Power from renewable sources appears more expensive than that from coal-based plants, mainly because thermal power plants enjoy enormous hidden subsidies that are never talked about. For instance, no one talks about the cost of the water used for cooling purposes in thermal power plants; the cost of ash disposal is never taken into account; the pollution to the environment and the health hazards they cause are hardly ever mentioned; and, the cost of mining and the environmental degradation that follows is never highlighted. Green Power players also argue that scale economies will bring down capital cost of the equipment, making renewable power sources more attractive.

A lot more needs to be done to help move renewable energy into the mainstream.

Justifying higher cost on the pollution mitigated is an argument that will not hold for long, especially as most State power utilities that are expected to buy power from such projects are bankrupt.

Instead of just relying on subsidies and incentives to make them attractive, renewable energy projects need to look at bringing down the capital cost substantially so that they become more attractive. It is in this connection that the national solar mission's objective to bring solar power to grid parity cost is welcome.

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