INDIA – RENEWABLE ENERGY FOR REN 21 WEBINAR

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INDIA

- Federal Constitution
- □ "Power" a subject dealt with by both Union and State Governments
- Regulatory structure Both at the Central and State
 - Level
- □ Various models of Renewable Energy investments depending on Resources and Policies

RENEWABLE ENERGY IN INDIA

- Discussion mostly on power generating systems
- Other forms of energy like heat, thermal and biofuels are not covered
 - Significant progress during the last one decade
 - Some setback in recent years due withdrawal of policy initiatives
 - Recent setback in the economy and currency depreciation have added to problems

SHARE OF RENEWABLE POWER

- As of 31st July the RE capacity in the country is 29,000 MW
- ☐ This represents 12% of the total capacity and 6% contribution of power to the Grid
 - Capacity led by wind power which is 20,000 MW,
 Small hydro 3,700 MW, Biomass 1,260 MW
 Industrial Biomass 2,300 MW and Solar 1,800 MW
 - Indian system excludes Hydro capacities of 25 mw and above, if this is included the capacity share is 33% and contribution share is 21%

RENEWABLE PORTFOLIO STANDARDS

- The PM's action plan calls for 15% contribution to the grid from renewables by 2020
- The Electricity Act empowers the regulators to fix R.P.O standards and enforce them.
 - India has devised system of Renewable Energy
 Certificates (RECs) by which utilities can
 purchase certificates if they do not have
 access to renewable power
 - There is no enforcement of RPOs as a result of which generators are denied a market for power and certificates.

PRESENT STATUS

- Growth of Renewable has suffered due to withdrawal
 of policy incentives
- Regulators at State level reversing some beneficial regulations
 - Utilities resisting absorption of renewable power on grid stability and technical issues but basic opposition is based on commercial issues

This is despite the fact that most utilities do not have sufficient power to distribute

INTEGRATION ISSUES

Presnt policy emphasis is on coal based generation that undermines growth in renewable sector

Intermittent and seasonal nature of renewable power is held against the sector in some quarters and by a few detractors

Grid integration and stability issues are also held against renewable power

Financing in terms of equity and debt has become a problem in recent times.

POLITICAL LANDSCAPE

■ No political party is opposed to 'Renewable Energy'
as such

At the same time no political party is passionate about renewable Energy

Regional parties are focussed on local issues and do not spare time or make efforts to ensure growth of RE as a whole

Support from political parties lacking more by default then by design

LIKELY FUTURE SCENARIO

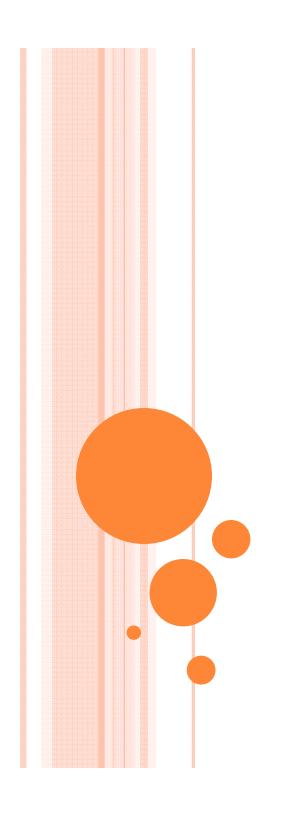
Power infrastructure in terms of generation transmission and distribution is far behind requirement

The present economic problems of slowdown in growth, inflation and depression of Indian currency as added to problems

A national election is due in about nine months time.

All political parties concentrate on issues that are considered more important than renewable energy

A stable policy is likely to emerge only after the



THANKS