



OBSESSION WITH NUCLEAR POWER IS COSTING THE ECONOMY DEAR, BUT THE GOVT COULDN'T CARE LESS

Solar shines globally, but India lags



Policy watch
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Last fortnight, a report by Mercom, an energy consultancy firm, showed that "Total corporate funding in the solar sector, including venture capital (VC), debt financing and other equity financings raised by public companies, was significantly higher at \$2.18 billion compared to \$915 million in Q2, as a number of public companies took advantage of rising market values this quarter". The full year's figures are expected to be a lot more impressive. India may not take advantage of this surge.

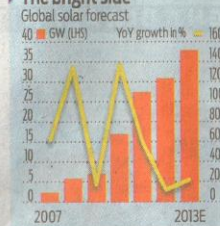
The figures indicate a revival of interest in the solar ener-

gy segment after the mood was dampened by a cold war in trade relations between the EU and the US on the one side and China on the other.

By September 2013, trade relations began thawing between EU and China -- though not with the US. "A rate of €0.56 (-\$0.74) per watt was the agreed upon pricing for Chinese panels coming into the EU. Under the settlement terms, China will be allowed to meet half of Europe's panel demand -- 7 gigaWatts (GW) -- without being subject to tariffs. China, on the other hand, imposed anti-dumping duties on the US and South Korean polysilicon manufacturers, but not on polysilicon from the EU. Although trade skirmishes will likely continue, this settlement is a relief for the markets," said report.

Not surprisingly, global de-

The bright side



Major solar power players in the world. (figures in MW)

	Germany	Italy	US	Japan	China	UK	India
2009	3,806	711	477	484	160	10	
2010	7,400	2,321	961	893	433	62	35
2011	7,487	9,248	1,855	1,404	2,200	813	190
2012	7,603	3,577	3,192	2,467	3,500	925	980
2013*	4,000	2,000	4,500	7,000	8,500	1,500	1,000

Note: (*) - estimated, as of September 2013
 Source: <http://mercomcapital.com/global-solar-forecast-a-brighter-outlook-for-global-pv-installations/>



zens-1869966). This is despite the fact that solar power (and coal-based thermal) costs are at least one-fourth those of nuclear power costs, and have a lower gestation period. Coupled with biomass gas and wind power and even fuel cells, decentralised off-grid solar power projects could energise India's powerless villages faster and cheaper than the dreams of nuclear power plants that the government has been peddling.

A second problem could lie in the increasing desire on the part of solar producers to make more money by speculating on renewable energy certificates (RECs) than on solar power generation and sale. In fact, the RECs pose the possibility of another major financial scam in the making. But that is another story, to be dealt with some other time.

mand for solar panels is likely to be around 38 GW [giga-Watts] in 2013, a lot higher than in the previous five years (see table). China alone wants to install 35GW by 2015.

An unexpected fillip came from Japan which approved over 19,000 MW of non-residential PV project applications under its FIT (feed-in-tariff) scheme as of the end of

May 2013.

As a result, this year, China hopes to install 8.5 GW of solar power while Japan hopes to achieve a figure of 7 GW. The figure for US is likely to be 4.5GW, Germany 4 GW, Italy 2 GW and the UK 1.5 GW. These compare rather poorly with India's target of 1GW for 2013 (just 622 MW by August 2013).

If the figures are low for In-

dia, they could be because of two developments.

The first is the government's obsession with nuclear power (see <http://www.dnaindia.com/money/1839827/report-policy-watch-the-pm-s-nuclear-dreams> and <http://www.dnaindia.com/money/report-policy-watch-india-creates-more-jobs-for-other-countries-than-for-own-citi->