

GOVT PLANS 20,000 MW SOLAR ENERGY EXPANSION
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By EconomyLead on February 7, 2015



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By April solar energy companies could start establishing more facilities in India to enhance capacity of the sector by 20,000 megawatts. Upendra Tripathy, the secretary of the ministry of new and renewable energy, has told Reuters that the details of the plan will be announced on Friday. Companies from the US, Germany and China have committed to projects under the plan. US-based First Solar and SunEdison Inc, Canadian Solar and China's JA Solar are among the companies keen to expand into India.

Also, foreign companies would be allowed to decide on the location for their manufacturing units, Tripathy said. The government will find the land required for the solar farms.

The plummeting cost of solar energy production, which is likely to be equal to the energy produced by conventional methods by 2017, is attracting investors to the segment. The companies are expected to help India attain the \$100-billion expansion in clean energy that Prime Minister Narendra Modi has sought of the industry.

Modi aims to make India one of the world's largest energy markets, targeting an output of 100,000 MW by 2022. At present the capacity is merely 3,000 MW.

Being a tropical country, India receives more than 300 days of sunshine a year. But the country continues to rely on coal for three-fifths of its energy needs. The share of solar power remains at 1 percent.

Analysts believe India has an uphill task before it. Weak finances of electricity distribution companies, who will have to buy the more costly green energy generated, and delays in land acquisition are huge hurdles the government will need to clear to achieve the target.

Power producers are worried about the market for the energy produced. “There’s a lot of interest, but there are concerns as well. Who is buying the power and do they have the ability to pay?” said Ajay Goel, chief executive of Tata Power Solar, one of India’s largest solar manufacturers and a unit of Tata Power Ltd.