

India's complete transition to renewable energy requires stronger policy support

SHREYA JAI

New Delhi, 15 February

India can function on only renewable energy in 20-25 years, according to the Energy Transition Committee (ETC).

The committee, which in its last year's report had suggested to India to not make any new investment in the coal sector, is now looking to work along with the country's policymakers to redesign policies that have been "coal-centric". "We are arguing that if you are building a new energy system, it can be fully renewable in the coming 20-25 years," ETC Chairman Adair Turner said.

The ETC is a diverse international group with members across the energy landscape. It was convened to help identify pathways for change in the energy system to ensure a



better growth and climate.

Turner said the ETC will introduce an India chapter this year. It has collaborated

GOING GREEN

- The Energy Transition Committee said India would be able to function on only renewable energy in 20-25 years
- The committee is working with the country's policymakers to redesign policies that have been traditionally "coal-centric"
- The committee has collaborated with The Energy and Resources Institute for a report on de-carbonisation of core manufacturing sectors

with The Energy and Resources Institute (TERI) to publish a report on de-carbonisation of core manufacturing sectors, such as

steel, thermal power, manufacturing and automobile, and also suggest a transition in the Indian electricity space.

"We are looking at challenges related to electricity demand, existing coal-fired plants and the ones that will be stranded after the transition to renewable energy. There are also land-related and capital availability challenges for renewables in India," said Turner. In India, the ETC is apprehending a dilemma between energy access and renewable energy security along with cost efficiency. The ETC and TERI, in the report, pitched for renewable as a cheaper and more efficient option than coal.

"Price of renewable energy, especially solar, has dropped below coal. Once the cost of storage plus renewables is below that of coal, it will stand as the most viable option.

The existing coal capacity will continue to meet the demand till it becomes economically unviable," said Ajay Mathur, director-general, TERI. In the Paris Climate Change commitment, India had set a target that 40 per cent of its energy demand would come from non-fossil fuel sources. The government, however, has maintained that coal would remain the primary source and base power for the country.

The ETC report observed that India has a 10-year window of opportunity to overcome the challenges in the large-scale and economically-preferential adoption of renewable energy. "The prime consideration for utilisation of renewable energy, thereafter, would be whether the price of 'despatchable renewable electricity' — renewable and balancing — reaches ₹5 per

unit," said the report. It added while growth in electricity demand, policy, regulatory measures and initiatives would lead to a "pull factor", the dovetailing of international technological cooperation and financial support to overcome the "humps of challenge" would enable its realisation. This, the ETC said, could provide a paradigm shift in the future of the Indian electricity sector.

"In this economic transition, various kinds of issues will come up. The one currently happening is that the coal capacity is suffering, because there is much greater capacity than demand. Solar and wind is only 8 per cent of the total electricity and PLFs (plant load factors) are down to below 50 per cent. The challenge is how we enable the transition along with the financial health of the sector," said Mathur.