



Efforts on to reduce cost of Solar Power, says Dr. Farooq Abdullah

Union Minister for New & Renewable Energy, Dr. Farooq Abdullah has said that several measures are being initiated to reduce the cost of solar power. Replying to a question in the Lok Sabha today he said that his Ministry is supporting R&D on all aspects of solar energy – starting from poly silicon material, solar thermal coatings to complete solar energy systems. This, the Minister said, will be very important to reduce the cost. Dr. Abdullah said that one company in West Bengal is planning to set up a unit to manufacture poly silicon material in the country.

Dr. Abdullah observed that Jawaharlal Nehru National Solar Mission envisages major participation of private sector by setting up grid connected solar power projects on Build Own and Operate basis. They will be eligible to get preferential tariff for solar power fed to the grid. In addition, private sector will continue to be engaged in setting up of manufacturing units in the country. The Minister said that the private sector is also expected to be a major user of various types of solar energy systems & devices.

Emphasizing that Government will strengthen some of the existing research institutions in the country for undertaking intensive research in solar energy and develop them as Centres of Excellence, Dr. Abdullah said that a number of incentives such as nil or concessional customs and excise duty on selected items, 80% accelerated depreciation, preferential tariff for feeding solar power to the grid; and capital / interest subsidy for installation of solar energy systems for various applications are also available to the users including private sector at present.

Under the National Solar Mission, 3 major steps are proposed – (i) create volumes which will allow domestic manufacture, (ii) support R&D to reduce material consumption and improve efficiency; and (iii) announce long term policy to purchase power. The first phase target of the Mission is 1,100 MW grid solar power capacity by March, 2013. An amount of Rs. 4,337 crore has been approved for implementation of the first phase of the Mission.

The Minister informed that CERC has announced preferential tariff of Rs. 18.44 per unit for solar PV power and Rs. 13.45 per unit for solar thermal power. This tariff will be paid for a period of 25 years. He said that zero or concessional duty is applicable on import of certain specific items while zero Excise duty is on domestic manufacture of many solar energy devices and systems. NTPC Vidyut Vyapar Nigam will purchase solar power for a period of 25 years at a fixed tariff announced by CERC. CERC will review the costs every year and fix tariff accordingly for new projects.