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Farooq offers Rs 10 per unit subsidy for solar power

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CHENNAI: Here's good news for firms that are planning to set up solar power plants in the country. Union minister for new and renewable energy Farooq Abdullah on Monday announced that the Centre would give a subsidy of Rs 10 per unit to bring down the cost of production for power generators.

Abdullah said Prime Minister Manmohan Singh would unveil the solar mission programme on November 14. Stating that Tamil Nadu had great potential to generate solar power, the minister said that the Central and state governments should cooperate in order to bring down the production cost of solar panels and prevent red tape from coming in the way of subsidies for solar power generation.

"Once we start providing subsidy of Rs 10 per unit of solar power produced, production cost and the cost for the end user will come down," Dr Abdullah said.

Saying that technology transfer was the need of the hour, Abdullah wanted western countries to share technology in areas of non-conventional and solar power. "We need help from the West. We need to produce power from wind, solar, bio-mass and hydro energy." He pointed out that many were finding it difficult to get loans to set up energy production plants. "My ministry will ensure that the difficulty is removed," he said.

Abdullah was speaking at the inauguration of WinWind Power Energy Private Limited's wind turbine generator manufacturing facility at Vengal, 50 km from Chennai. Backed by an investment of Rs 1,075 crore, the company will produce four wind turbine generators a day, scaling up production later to eight a day.

State electricity minister Arcot N Veerasamy said that the Tamil

Nadu government had sought subsidy from the Union government to generate 100 MW of solar power. "There is no more scope for power generation through hydro energy projects as rainfall is limited and we have exhausted non-conventional energy. The future is in solar power," he said.

According to Veerasamy, the state would have a total generation capacity of 10,000 MW before 2014. It would be made possible, he pointed out, through 6,000 MW from thermal energy and 4,000 MW from a Central government's thermal project. "Tamil Nadu will be able to export in the next few years 6,000 to 7,000 MW to other states, including Maharashtra and Karnataka. The state will invest Rs 20,000 crore in setting up a separate company for transferring generated power to the southern grid," he said.