Following a counter policy

By Dr. Jami Hossain, the Chief mentor and Founder of Windforce Management Services

December and January are months of conferences in India. A period when foreigners from cold countries would like to visit this sunny country and when people from North (Delhi) would like to visit Goa. Hence there have been many conferences on wind energy. Having participated in quiet a few deliberations, I find the wind energy landscape intensely dotted with a number of issues. Indeed, I can almost write editorial with key words such as - back down, shut down, WTG dismantling, distress sale, PPA, payment, land, RoW, REC, Scheduling etc. etc. Although on the policy front, government seems to be active and perhaps some people feel that more than half the job is done with the announcement of generation based incentive (GBI). However, this does not reflect the ground reality. In the field, investors and wind farm owners face innumerable difficulties due to what appears to be the "Counter-Policies" pursued at the state level. For example in Tamil Nadu, year before last no payments were being made to wind farm owners for the electricity supplied. After much hue and cry from the industry, the Tamil Nadu Electricity Board (TNEB) cleared nearly all the payments last year. However, going forward they have found a better fix to the problem – "shut-down of the wind farms." When no electricity is generated, no payments would be required to be made. The result, I hear, quite a few owners have decided to dismantle and sell the equipment for whatever it is worth. It appears that the "counter-policy" is working well for indeed it is serving a "counter-purpose."Every state has its counter policy. Some states hold back payments, some state utilities refuse to sign PPA, some refuse third party sale, some refuse open access, some impose heavy cross subsidy surcharge and some announce strange and impractical ideas such as competitive bidding. And then, many projects planned and perhaps invested, face land and "right of way issues" related issues. A plethora of issues – unknown and unheard of, a few years back, have cropped up and are bringing the wind industry to a grinding halt. One simply fails to see the reason and purpose of state utilities in trying to create obstacles to wind power development in the respective states. On the other hand, the center faces the task of addressing the Current Account Deficit (CAD) of the order of US$50bn, which according to the Finance Minister is due excessive Oil and Coal imports and will rise next year. It has been proven again and again that apart from electricity generation, wind farms also result in a boost to the local rural economies. The earlier policy of accelerated depreciation has not only resulted in 20,000 MW of installed capacity operating at a PLF of 21% but also completely changed the face small towns and villages such as Tirunelvelli, Muppandal, Dhule, Satara, Chitradurga etc. etc. Farmers and landowners in these areas have been able to employ themselves in alternate technical jobs and entrepreneurship. In fact, a great entrepreneurial wave seems to have taken place in these areas. Electricity, Roads, Petrol Pumps, educational institutions, MSME – all seem to follow wind farm development. However, it seems the policy makers and the state utilities do not see the larger picture, which points towards a need to harness indigenous sources of energy. Removal of accelerated depreciation from the set of policy measures in 2011 has added to down slide. It has become rather difficult to comprehend, how some of these agencies involved turn a blind eye to the immense benefits of wind energy to our society and economy.

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