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# Renewables stage a power-packed show

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In FY21, power generation from the solar segment increased to 60.40 billion units from 50.13 billion units in FY20 - istock/imacoconut

### Despite drop in new capacity, power generated up 6%

Power generation from renewable energy sources continued to increase in the country despite a significant drop in new capacity addition in the sector in Covid-battered 2020-21.

All other key segments such as thermal, hydro and nuclear have reported a drop in power generation during FY21.

The total power generation from renewable energy sources (including solar, wind, bagasse, biomass, small hydro and others) stood at 147.25 billion units in FY21 compared with 138.34 billion units in FY20, an increase of six per cent, according to data from the Central Electricity Authority.

Also, the solar power segment overtook the wind power sector in generation in FY21, which saw the total installed capacity of solar surpassing the wind segment's.

"There are several factors working here. First is the thrust given to renewable energy by the government. Second is the growing environmental awareness in the country, and the potential growth is driving more capacity creation here. Third, getting in investment, — both domestic and foreign, is easier as this is an attractive area for them. This has been the trend so far," Madan Sabnavis, Chief Economist of CARE Ratings, told *BusinessLine*.

In FY21, power generation from the solar segment increased to 60.40 billion units from 50.13 billion units in FY20, while energy generation in the wind segment dropped to 60.15 billion units from 64.65 billion units in FY20. Power generation in the bagasse, small hydro and biomass segments stood at 11.30 billion units (10.80 billion units in FY20), 10.26 billion units (9.45 billion units) and 3.51 billion units (2.94 billion units), respectively.

In FY21, total power generation from thermal, hydro, nuclear and renewables stood at 1372.9 billion units compared with 1383.33 billion units in FY20.

Thermal sector's generation dropped to 1,032.4 billion units FY21 from 1,042.75 billion units, while hydro and nuclear segments stood at 150.3 billion units (155.77 billion units in FY20) and 42.95 billion units (46.47 billion units), respectively.

"The conventional sources always have issues relating to raw material i.e. coal in particular wherein the availability and cost could be volatile. Given the drive against pollution globally, renewable is getting more attention. Also, the cost of generation in another 10 years is expected to come down sharply relative to conventional sources," said Sabnavis.

### **Hydro and nuclear segments**

Though hydro and nuclear segments reported a drop in generation in FY21, the total share of clean energy (hydro, nuclear and renewables) in overall power generation in India remained at about 25 per cent in FY21, with renewables compensating for the shortfall in other two segments.

The share of clean energy sources (renewables, hydro and nuclear) in overall generation has been increasing from 19.6 per cent in 2015-16 to 19.9 per cent in FY17, 20.7 per cent in FY18, 22.1 per cent in FY19 and 24.9 per cent in 2019-20.

"We expect the overall share of renewables to increase towards 35-40 per cent in the next decade or so. Capacity as of 2021 was around 92 GW, which is set to increase with another 40 GW under installation. Tenders for another 27 GW have been tendered," he added.

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