The NITI Aayog Draft Report on Prospects of coal.

Why in news?

The NITI Aayog has drawn up an important 'draft' report on the prospects of coal in the coming decade.

What the draft report of NITI Aayog says?

- The report bases its projections on eight major studies.
- In India coal cannot be phased out owing to urgency in moderating coal use.
- The report suggests a modest growth in coal-fired power by 2030, despite its share in electricity generated is projected to fall from 72% now to just 50% by then.
- Battery storage and Grid integration remains as areas of uncertainty in case of renewable energy.
- So, there can be no get away from an increase in demand for thermal-based power over the next decade.

What does the report recommend for clean and efficient energy?

- Producing clean electricity means low sulphur and carbon emissions.
- Experts feel that coal power should be drawn largely from new plants in order to meet these parameters, thereby scrapping old ones.
- However, there is also a broad consensus that no further projects should be planned.
- The extra electricity demand can be met from a coal-fired generation capacity of about 250 GW by 2030 (renewable accounting for the rest), against 210 GW at present, to be met from thermal projects in the pipeline.
- Conceiving further thermal capacities will create a problem of stranded assets.

How many old plants should be phased out?

- The views of experts advising NITI Aayog on energy policy appear to diverge.
- **The National Institute of Advanced Studies** has suggested the progressive retirement of 36 GW of total capacity.
- **The Council on Environment, Energy and Water (CEEW)** recommends decommissioning 30 GW coal-based capacities and temporarily mothballing 20 GW of relatively new capacity
- Mothballing indicates stop using equipment but keeping it in good condition so that it can readily be used again.
- According to CEEW all old plants are not decrepit. Scrapping plants aged over 25 years will yield a one-time savings of over Rs10,000 crore in terms of avoided pollution retrofits.

Why shouldn’t we completely scrap old plants?

- Closing down plants brings with it a political risk in the event of outages
- A call to set up new thermal plants will increase, introducing further environmental and financial risks.
- A measured approach to the issue is the need of the hour.

Reference

1. https://www.thehindubusinessline.com/opinion/editorial/pulling-the-plug/article38057483.ece