

Feed-in-Tariff (FITs)

CONTINUED FROM PAGE 12

differences in FITs rules across the countries.

As soon as FITs comes in Bangladesh there will be a good growth in roof mounted solar in-grid system. It has been successful with FITs in Europe, North America and Asia. In Europe for example, the production capacity of electricity from solar power is almost half compared to Bangladesh because of solar radiation. However, the growth of solar roof mounted in grid system has been very attractive and successful in Europe. In Bangladesh, with FITs, a 4K system (16 PV panels each with 250

WP and inverter) will be ideal in cities. The cost of a 4K system at the moment in Bangladesh is around 8-9 Lakh Taka if they are made in European countries with EU standards. In the UK, 4K system has been standard for a middle class family which costs at about 7-8 K Pounds. The pay back periods for such a system with FITs should be around 8-9 years both in the UK and Bangladesh, although production capacity and tariff structure is different. The economic benefit with for an entrepreneur is the following.

Generation

In Dhaka 1 K solar system will produce 1600-1700 KWH/year electricity in

general if they are quality products. Let assume a 4K system will produce 6,400 KWH/Year (lower value taken). However, the production will be reducing every year. If we take the value as per drafted FITs which is 14.72 TK. Then it allows an amount of around 94,000TK alone.

Let us assume half the amount of the electricity produced will be used by the entrepreneur while other half will be exported to the grid. Meaning that helps in reducing dependency on our national grid; moreover it helps in adding an amount into the national grid, well now calculating the value of export of 3200 KWH at rate off 5.4

2TK and use of rest of 3200 KWH at a similar rate. The revenue comes from generation, export and saving electricity is around 126,000 TK. at the first year of operation. Therefore, with even subsequent reduction of production the payback period will not be more than 8 to 9 years. Let us take the example of the UK. 1K solar system will produce 850 KWH/year almost half compared to Bangladesh.

However, the payback period for a 4K system will be similar since FITs offers very lucrative fees for solar energy generation for small enterprises in the UK. The per KWH rate is much higher in the UK, as well. Therefore, in cur-

rent FITs regime of 20 years in the UK an entrepreneur will be enjoying doubling it's investment in the UK for a 4 K system. It will be similar with less incentive in Bangladesh since the production of electricity will be twice for the good quality of sunshine available almost throughout the year. The country's policy makers need to shop around for the funding support from the globe to accommodate renewable energy for green way of energy development, employment and economic and sustainable growth.

The writer is an environmentalist and a non-resident Bangladeshi living in the UK.



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