



ILL Consequences of Green Strategy

This editorial is based on the article [“The consequences of an ill-considered green strategy”](#) which was published in The Indian Express on 27/01/2021. It talks about the issues of renewable energy and the importance of traditional sources of energy in the present time.

For Prelims: Renewable energy, Conventional energy(Coal, Crude oil, Natural gas), Liquefied Natural Gas (LNG)

For Mains: Issues associated with renewable energy production and installation, Benefits of renewable energy sources, Types of conventional sources and their relevance in the present time, What should be India doing to improve the energy security.

Europe’s push for renewable energy at the cost of **conventional fuel** may end up causing a global food crisis. Since August 2021, Western Europe has faced a problem with renewable energy – the **wind doesn’t always blow when needed and the sun doesn’t always shine.**

Commodity markets across the world operate on a balance of demand and supply — even a small change in either side can push the prices up or down sharply. Europe’s sudden appetite for natural gas has pushed up the prices of **Liquefied Natural Gas (LNG)**, the form in which gas gets traded globally.

The LNG price published by the Australian Competition and Consumer Commission (Australia is one of the leading global LNG exporters) is around four times at present (January 2022) in comparison to a long-term average.

Advantages of Renewable Energy

- **Sustainable:** Energy generated from renewable sources will be cleaner and greener and more sustainable.
- **Employment opportunities:** Inclusion of a newer technology simply means more employment opportunities for the working population of the country.
- **Market assurance:** From the economy point of view, renewable sources provide the market and revenue assurance which no other resources can provide.
- **Non- exhaustive Source:** The renewable sources of energy like Solar, Wind, Geothermal energy sources are perpetual and non exhaustive in nature.

Issues That Emerge From Green Energy Adoption

- **More Challenges For Poor Countries:** What happens when renewable energy doesn’t deliver the goods, and rich economies scramble to buy gas to make up the shortfall?
 - E.g countries such as the UK, Spain and Germany are relying more on natural gas to make

up the electricity shortfall which has led to price increase.

- It will be difficult for the poor countries to be able to afford increased price rise.

▪ **Importance of Conventional Fuel:**

- **Natural gas** is used to produce urea – if gas prices go up, fertiliser also becomes expensive. Expensive fertiliser means more expensive food – that will hurt the poor disproportionately.
 - The impact of expensive fertiliser will be felt some months down the line as expensive fertiliser and reduced harvests push up food prices.
 - India is relatively less affected as the share of natural gas in the country's energy mix is low but will still face problems due to high food prices.
 - The food inflation will come at a time when the ongoing pandemic has disproportionately hurt lower income groups worldwide.
 - **Crude Oil:** In 2007-08, when oil prices were high, there was a push to use “biofuels” led by the US and Europe. Land was diverted to cultivate crops that could be converted to ethanol, leaving less for food crops.
 - The effects of the 2008 food price crisis were felt around the world, especially by the poor. High price of food was one of the proximate causes of political unrest in the Arab world in 2011 – Libya and Syria continue to feel its aftereffects.
 - Thus, a blind push to demonise and shut down traditional sources of energy and move to less reliable “clean” energy can have numerous effects.
- **Installation Cost Issue:** The high initial cost of installation is one of the major hurdles in the development of renewable energy. Although the development of a coal plant requires high investment, it is known that wind and solar power plants also require huge investment.
- In addition to this, storage systems of the generated energy is expensive and represents a real challenge in terms of megawatt production
- **Resource Locator:** Most renewable energy plants that share their energy with the grid require large areas of space. In most cases, renewable energy sources are dictated by location which can be off-putting to users.
- Firstly, some renewable energy sources are simply not available in different regions. Secondly, the distance between the renewable energy source and the grid is a major aspect in terms of cost and efficiency.
 - In addition to this, renewable energy sources depend on weather, climate and geographical location, therefore meaning that one type of energy generation is not appropriate for the region.

Way Forward

- Framework to avoid unnecessary delays in **policy decision making** and implementation.
- **Increasing efficiency** in extraction, production and uses of conventional energy sources.
- Strong financial measures are required to finance renewable projects, innovative steps like green bonds, institutional loans and clean energy funds, which should not affect the traditional sources (Coal, Natural gas) investment.
- Promotion of research and development in the renewable energy sector, especially in storage technology.
- India needs a Solar Waste Management and Manufacturing Standards Policy.

Conclusion

The crisis also holds lessons for India, which has ambitious plans for using renewable technologies but doesn't have the financial cushion available to the European nations. Cheap and reliable energy sources should not be abandoned until the alternatives have been stringently stress tested.

India will be especially hard hit if oil prices spike as it imports close to 1.4 billion barrels of oil annually. However, fresh investment in developing new oil and gas reserves has been slowing down globally, in part due to climate action — and crude oil price is at a multi-year high.

Drishti Mains Question

“Conventional energy sources are more reliable and should not be abandoned until the alternatives like

clean energy have been stringently stress tested." Discuss.

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