

Government Promotion of Photovoltaics: Evidence from Hotel Industry in India

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Abstract

India faces a tremendous challenge in meeting its domestic and commercial energy requirements. Power from Photovoltaic (PV) systems offers a viable solution to bridge the energy gap. Therefore, the current paper is an empirical examination of the role of the government in promoting PV systems. Primary research was conducted in the hotel industry, as it is not exempt from the detrimental effect of frequent scheduled and unscheduled power-cuts. A structured questionnaire was used through a prestigious market research firm in India to collect relevant data from 205 hotels located in different parts of India. Empirical results show that the majority of respondents consider the initiatives taken by the government to be very important in fostering the commercialisation of PV systems. Therefore, the government should play a leadership role in regard to policy development, legislation, fund mobilisation, institutional support, tariff formulation, training, information dissemination and education. In effect, a variety of government initiatives are required to stimulate a 'market pull' for every alternative energy source, including PV systems. When the goal is to increase the market demand for environmentally friendly technologies such as PV systems, their adoption can be hastened to meet an established need since India is endowed with plenty of sunshine.

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