



Where solar power works at its best

>By Dan Lewis

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From Mr Dan Lewis.

Sir, With reference to the Lex note on renewable energy (August 1): the true cost of grid-connected solar power in Germany and Japan is in taxation.

Germany's feed-in tariff of up to 57.4 euro cents a kilowatt hour is enormous - actually 10 times the wholesale price of a megawatt hour of gas. That is why the price of grid-connected solar power should be compared to the wholesale market. Japan meanwhile has the most expensive retail electricity on earth at 24 US cents a unit. This may be more to do with the inherent inefficiencies in the Japanese economy and the perils of sustained massive capital misallocation by government to industry. But unlike Germany, Japan can at least point to a vast subsidy-farming export industry for its solar manufacturers.

Solar photovoltaic works best in remote locations as a back-up system with batteries. Without vast government support grid-connected PV is a terrible waste of resources.

Dan Lewis,

Director of Environmental Affairs,

Stockholm Network,

London N1 8QH, UK

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