
CHAPTER I

INTRODUCTION

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Introduction

Energy is one of the major inputs for the economic development of any country. In the case of the developing countries, the energy sector assumes a critical importance in view of the ever-increasing energy needs requiring huge investments to meet them.

Energy can be classified into several types based on the following criteria:

- Primary and Secondary energy
- Commercial and Non commercial energy
- Renewable and Non-Renewable energy

Primary and Secondary Energy

Primary energy sources are those that are either found or stored in nature. Common primary energy sources are coal, oil, natural gas, and biomass (such as wood). Other primary energy sources available include nuclear energy from radioactive substances, thermal energy stored in earth's interior, and potential energy due to earth's gravity. The major primary and secondary energy sources are shown in Figure 1.1 Primary energy sources are mostly converted in industrial utilities into secondary energy

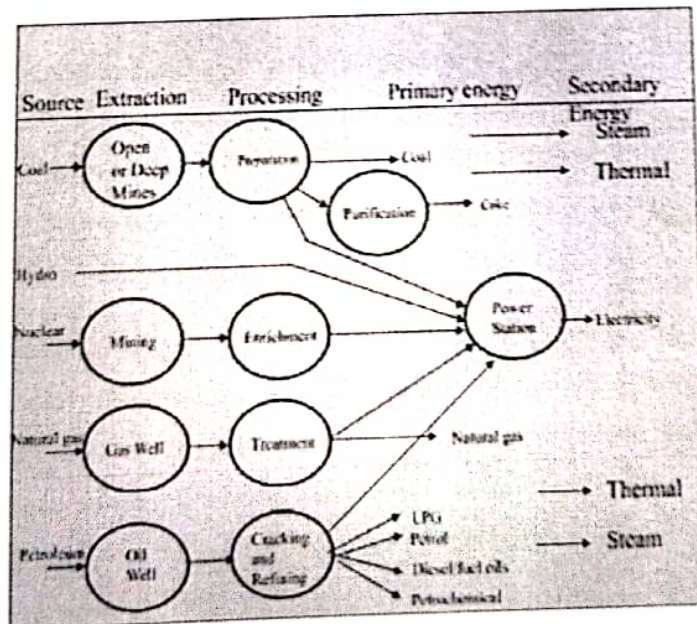


Figure 1.1 Major Primary and Secondary Sources

sources; for example coal, oil or gas into steam and electricity. Primary energy can also be used directly. Some energy sources have non-energy uses, for example coal or natural gas can be used as a feedstock in fertiliser plants.

Commercial Energy and Non Commercial Energy

Commercial Energy

The energy sources that are available in the market for a definite price are known as commercial energy. By far the most important forms of commercial energy are electricity, coal and refined petroleum products. Commercial energy forms the basis of industrial, agricultural, transport and commercial development in the modern world. In the industrialized countries, commercialized fuels are predominant source not only for economic production, but also for many household tasks of general population.

Examples: Electricity, lignite, coal, oil, natural gas etc.

Non-Commercial Energy

The energy sources that are not available in the commercial market for a price are classified as non-commercial energy. Non-commercial energy sources include fuels such as firewood, cattle dung and agricultural wastes, which are traditionally gathered, and not bought at a price used especially in rural households. These are also called traditional fuels. Non-commercial energy is often ignored in energy accounting.

Example: Firewood, agro waste in rural areas; solar energy for water heating, electricity generation, for drying grain, fish and fruits; animal power for transport, threshing, lifting water for irrigation, crushing sugarcane; wind energy for lifting water and electricity generation.

Renewable and Non-Renewable Energy

Renewable energy is energy obtained from sources that are essentially inexhaustible. Examples of renewable resources include wind power, solar power, geothermal energy, tidal power and hydroelectric power (See Figure 1.2). The most important feature of renewable energy is that it can be harnessed without the release of harmful pollutants.

Non-renewable energy is the conventional fossil fuels such as coal, oil and gas, which are likely to deplete with time.

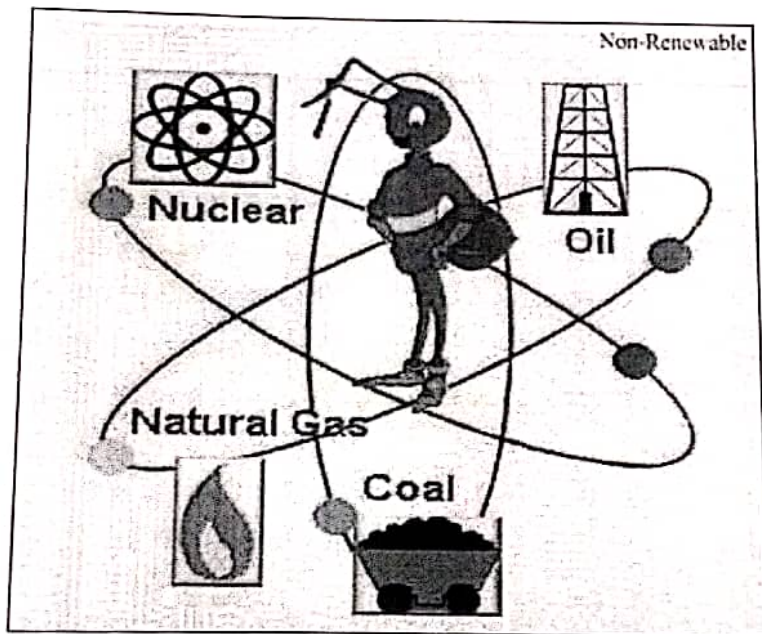
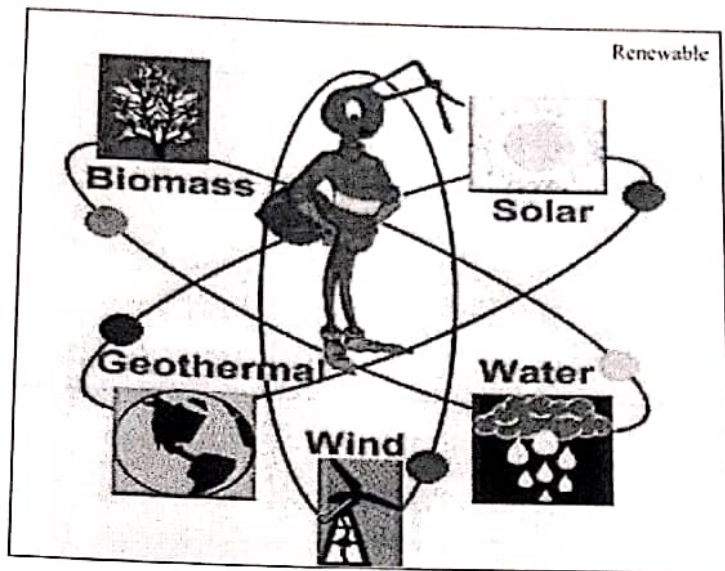


Figure 1.2 Renewable and Non-Renewable Energy