

**Dr. Fatih Birol**  
Executive Director

IEA/ExD(2017)76

Paris, 19 April 2017

His Excellency  
Shri Piyush Goyal  
Minister of State with Independent Charge for Power,  
Coal, New and Renewable Energy and Mines  
India

Excellency,

I would like to reiterate my great pleasure in welcoming India into the IEA family as an Association member, following the official announcement we made together along with Minister Dhamendra Pradhan in New Delhi on 30 March. This development has been warmly welcomed by all the IEA Member countries and recognised by many international observers as a major milestone for global energy governance.

I would also like to express my gratitude for the invitation for the IEA to become an observer to the International Solar Alliance (ISA), which I am pleased to accept.

I highly commend the initiatives India is taking to promote the use of solar energy both at home and internationally, including through the launch of ISA by Prime Minister Modi and President Hollande during the COP21 UN Climate Change Conference in Paris in December 2015.

As solar energy technologies continue to experience rapid cost declines, there is growing cause to be optimistic about the role they will play in the global energy mix in the decades ahead. For the first time in 2016, solar PV was the fastest growing renewable power capacity source worldwide. Solar energy is projected to increase by an order of magnitude in all IEA scenarios. We recognise the enormous potential of solar energy to provide access to affordable energy services – both in cities and rural areas – to increase energy security and to help us meet air pollution and climate objectives.

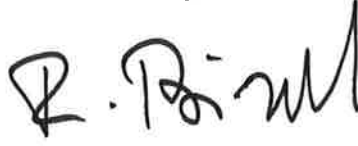
However, some important challenges will need to be overcome if the full potential of solar energy is to be met. Costly financing, high investment risk, lack of standardisation and normalisation continue to constrain the expansion of solar technologies. Moreover, in many parts of the world policy uncertainty presents an even greater impediment to investment than the natural variability of the resource and challenges linked to grid integration.

In this context, the IEA strongly supports the plans of ISA to provide clarity to regulatory issues, promote common standards, attract investment and develop innovative financing models. The IEA also commends the focus ISA is giving to identifying common needs and expanding markets through collaboration and aggregation in regions between the tropics where potential benefits of solar are the highest. We fully share the vision that this will further drive down costs and increase opportunities for economic development of solar energy worldwide.

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The IEA is honoured and pleased to become an observer to the ISA. We look forward to exploring opportunities for mutually beneficial collaboration and to supporting its further development as appropriate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'F. Birol', with a stylized flourish at the end.

Dr. Fatih Birol

Cc: H.E., Mr. Subrahmanyam Jaishankar, Foreign Secretary, Ministry of External Affairs, India  
H.E., Dr. Mohan Kumar, Ambassador of India to France