

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:3196

ANSWERED ON:19.12.2008

REPORT ON SOLAR POWER

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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether the report on Solar Power by Indian Semiconductor Association (ISA) and Pricewaterhouse Coopers has come to the notice of Government;

(b) if so,the details thereof;and

(c) the response of the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI VILAS MUTTEMWAR)

(a):The study by Indian Semiconductor Association (ISA) on solar photovoltaic (PV) industry was supported by National Manufacturing Competitiveness Council,Ministry of Commerce and Industry. A report has been submitted by ISA in this regard.

(b):The study has recognized that high initial cost of solar photovoltaic technology is a barrier in large scale utilization.The report has made various recommendations concerning deployment of photovoltaic devices and systems,its manufacturing and related R&D.The major recommendations include (i) continuation of accelerated depreciation,(ii) lowering of custom duty on components used in PV systems,(iii) availability of low cost funds,(iv) renewable energy bonds to arrange for low cost funds, (v) generation based incentive for grid solar power,(vi) net metering to encourage use of solar power in residential and commercial establishments, (vii) higher price of diesel for captive power generation by commercial and industrial units, (viii) preference to vertically integrated manufacturing plants under SIPS policy, (ix) subsidized electricity for solar fab manufacturing units,(x) collaborative R&D involving academic, research institutions and industrial units; and (xi) human resource development to meet growing manpower requirement etc. However, most of the recommendations do not have firm proposals in support.

(c): The Ministry has taken several steps to increase the utilization of solar energy in the country, which include (i) taking up expanded programmes to encourage utilization of solar energy systems through subsidy or soft loans, (ii) generation based incentive for grid solar power, (iii) accelerated depreciation for solar systems, (iv) low customs duty on solar cells, modules and components, and excise duty exemption for manufacture of solar products etc. The Government is also supporting research and development in academic, research institutions and industrial units to reduce the cost,improve the efficiency and performance of solar energy systems and make trained manpower available.

In addition, some of the States are also providing incentives to encourage manufacturing and deployments of solar energy systems. As a result, the deployment of solar PV devices and systems in the country is regularly increasing. The National Action Plan on Climate Change has also identified development of solar energy in the country by setting up a Solar Mission.