

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

UNSTARRED QUESTION NO:1370

ANSWERED ON:05.03.2010

PUBLIC-PRIVATE PARTNERSHIP IN RENEWABLE ENERGY SECTOR

Pradhan Shri Amarnath

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

(a) whether the Government has encouraged Public -Private Partnership to generate energy by using solar, wind, tidal waves and Bio-gas;

(b) if so, the details thereof; and

(c) the financial allocation and total investments made for the purpose during the Eleventh Five Year Plan?

**Answer**

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a) & (b): Projects for generation of energy/ power from the renewable energy sources solar, wind etc. have so far been set up mainly in private sector, with some in state sector. Presently, projects are not as per the format developed by the Ministry of Finance for a public-private partnership.

The Central Government is encouraging the projects through a mix of fiscal and financial incentives and other policy/ regulatory measures aimed at attracting private investment. These include capital/ interest subsidy, accelerated depreciation and nil/ concessional excise and customs duties. Under the Electricity Act 2003, it has been made obligatory upon State Electricity Regulatory Authorities to fix a minimum percentage for purchase of electricity from renewable sources taking into account local factors. Preferential tariff for grid interactive renewable power is being given in most potential States following the provisions made under the National Electricity Policy 2005 and National Tariff Policy 2006. Normative guidelines by CERC for fixation of such preferential tariffs have been issued recently.

(c): An allocation of Rs.1,800 crore was approved for providing financial support for setting up of various grid interactive renewable power generation projects during the Eleventh Five Year Plan period. A capacity of 5531 MW has been set up so far during the plan period up to 31-01-2010, involving total investment to the tune of Rs.30,000 crore. Out of this around Rs.300 crore has been provided as Central Financial Assistance / Subsidy towards some of the projects and the balance has been met largely by private investors/ developers, backed with fiscal incentives/ concessions and preferential tariffs.