

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

UNSTARRED QUESTION NO:952

ANSWERED ON:30.07.2010

PRIVATE PARTICIPATION IN WIND AND SOLAR ENERGY PLANTS

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

(a) whether the Government proposes to increase the concessions/incentives being provided to the private sector for setting up of wind and solar energy plants in the country;

(b) if so, the details thereof: and

(c) the other steps being taken by the Government to increase the private sector participation in setting up of such plants?

Answer

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

(a), (b) & (c): Government is promoting commercial wind power projects through private sector investment in wind potential states by providing fiscal incentives such as 80% accelerated depreciation, concessional import duty on certain components of wind electric generators, excise duty exemption, 10 years tax holiday on income generated from wind power projects. Loans are available from Indian Renewable Energy Development Agency (IREDA) and other financial institutions. Technical support including detailed wind resource assessment to identify further potential sites, is provided by the Centre for Wind Energy Technology (C-WET), Chennai. This apart, preferential tariff is being provided to increase wind energy investment in the potential states. Government has recently announced a Generation Based Incentive (GBI) under which Rs.0.50 per unit generated from wind power projects is being provided to the projects which do not avail Accelerated Depreciation benefit. For Solar Energy applications, apart from existing fiscal and financial incentives to promote utilization of solar energy for grid connected and off-grid applications, the Government has recently announced Jawaharlal Nehru National Solar Mission which aims at creating capacity of 20,000 MW grid solar power and 2,000 MW off-grid solar power including 20 million solar lights, and installation of 20 million square meter solar thermal collector area by 2022. Various incentives available for off-grid solar applications include financial support through a combination of 30 % subsidy and/or 5% interest bearing loans. For grid connected solar power projects, generation based incentive linked to tariff declared by Central Electricity Regulatory Commission are available. Besides, fiscal incentives in the form of reduced/nil custom duty and exemption of excise duty are also available for initial setting up of solar power projects.