

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

UNSTARRED QUESTION NO:4003
ANSWERED ON:03.12.2010
SOLAR MISSION
Jaiswal Dr. Sanjay

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

- (a) whether the Government is providing 30 percent capital subsidy to rural off-grid solar systems under the Jawahar Lal Nehru National Solar Mission to improve access to electricity in rural areas;
- (b) if so, whether the above rate of capital subsidy is far less than the monetary value of generation-based incentives currently being provided to the grid connected power developers;
- (c) if so the details thereof;
- (d) whether the Government proposes to revise the incentive structure to address the above asymmetry; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a),(b),(c),(d)&(e): Under the Jawaharlal Nehru National Solar Mission (JNNSM) off-grid solar applications are financially supported through a combination of 30% subsidy and/ or 5% interest bearing loans, where the initial capital cost and recurring burden of an individual beneficiary is reduced. Once installed, these solar systems provide power/energy at a nominal recurring cost towards maintenance.

However, the grid solar power plants are currently being set up on build own and operate basis and the power is fed to the grid of the utility for use by all consumers. The payment of tariff/generation based incentives by the Government is linked to performance and actual generation for many years. Therefore, the two different modes of encouraging solar energy in the country need not be compared.

The present set of guidelines are being implemented for the first phase of JNNSM till March, 2013.