

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

UNSTARRED QUESTION NO:4123

ANSWERED ON:03.12.2010

RENEWABLE ENERGY PROJECT

Naik Dr. Sanjeev Ganesh;Patil Shri Sanjay Dina ;Sule Supriya

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

- (a) whether the Global venture capital a private equity company has decided to invest \$ 1 billion by the end of the current fiscal in high-growth, incentive-driven renewable energy companies in the country;
- (b) if so, the details thereof;
- (c) the extent to which the renewable energy projects and assets are being promised high returns on long term predictable case flows;
- (d) whether investors has decided to fund renewable energy projects of 200- 500 MW following the regulatory reforms in the country; and
- (e) if so, the details thereof?

Answer

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

(a)&(b): No, Madam. The Ministry is not aware of any such decision taken by the said private company.

(c): The Government is offering several fiscal/financial incentives to make investment in renewable energy projects a viable proposition. In general the long-term cash flows/returns from these projects to investors are around 16%.

(d)&(e): Following the introduction of the Electricity Act 2003/ subsequent regulatory reforms in electricity sector in the country, there has been a steady increase in renewable power generation capacity. The same has increased from 3949 MW as on 1.4.2003 to 18,321 MW as on 31.10.2010. This comprises of 12,907 MW Wind Power, 2850 MW Small Hydro Power, 2474 MW Bio-power and 18 MW Solar Power. Most of these projects are below 50 MW capacity is capacity has been set up in the private sector. The investor interest in the sector has further significantly increased with the launch of the National Solar Mission and some investors have expressed interest in setting up higher capacity projects but the same are only of around 100MW scale.