

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

UNSTARRED QUESTION NO:3953
ANSWERED ON:31.07.2009
FINANCING OF RENEWABLE ENERGY PROJECTS
Rao Shri Nama Nageswara

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

- (a) whether the financing of the renewable energy projects has become difficult on commercial bank terms as these projects are capital intensive;
- (b) if so, whether the Government has initiated any steps to resolve the issue in totality;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

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

(a),(b)&(c): Considering the capital intensive nature of renewable energy power projects,the Government is providing several concessions in the form of fiscal and financial incentives to improve the viability of projects and facilitating, in turn,the financing of such projects on commercial bank terms.These incentives include capital/interest subsidy,accelerated depreciation,nil/concessional excise and customs duties. This apart,preferential tariff for grid interactive renewable power is being given in most potential States.

(d): Does not arise.