

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

UNSTARRED QUESTION NO:1145
ANSWERED ON:05.08.2011
SOLAR PAYMENT SECURITY FUND
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the Government proposes to set up a Solar Payment Security Fund in order to encourage private investments in grid connected solar power projects;
- (b) if so, the salient features thereof; and
- (c) the extent to which these measures are likely to help in improving solar power production in the country?

Answer

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

(a)&(b): Yes, Madam. Government has approved a Payment Security Scheme to provide backup financial support to NTPC Vidyut Vyapar Nigam (NVTN). This will ensure regular payments by NVTN to the Project Developers for purchase of Solar Power, even in the event of any failure by distribution utilities to make regular payment to NVTN. A Solar Payment Security Account (SPSA) will be opened by NVTN in this regard, for which Ministry will provide necessary funds from Gross Budgetary Support.

(c): The Scheme is likely to help setting up grid connected solar power projects by improving their bank ability.