

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

UNSTARRED QUESTION NO:3199
ANSWERED ON:19.08.2011
SOLAR MISSION
Rai Shri Prem Das

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

- (a) whether Solar Mission recognizes the need to focus on promoting off-grid systems to serve population without access to commercial energy;
- (b) if so, whether decentralized solar power generation is likely to achieve grid parity earlier than grid connected solar power; and
- (c) if so, the steps taken by the Government to give greater push through larger support to decentralized renewable power generation?

Answer

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

(a): Yes, Madam.

(b): No, Madam. It is not desirable to compare the cost of electricity generation from large grid connected solar photovoltaic power projects and small decentralized solar photovoltaic power generating systems. Electricity generated from large grid connected solar photovoltaic power project is directly fed into the grid while the electricity generated by small decentralized solar power projects is generally stored in the batteries to be utilized after sunset also for various applications. Though the cost of solar photovoltaic modules has been reported to be decreasing, the cost of balance of system, particularly the storage batteries, in case of decentralized SPV systems, is increasing.

(c): The Ministry is providing 30% subsidy subject to a maximum of ` 81/- per watt peak and/or loan at 5% annual interest rate for installation of decentralized solar photovoltaic power plants in General Category States. In Special Category States and districts with international borders and UT islands, subsidy of 90% of the project cost subject to a maximum of ` 243/- per watt peak is available for installation of SPV power plants by Central and State Government Ministries, Departments and their Organisations, State Nodal Agencies and local bodies. Ministry also provides central financial assistance and other fiscal and financial incentives for installation of other decentralized renewable energy power generating systems such as solar-wind hybrid systems, aero generators, biomass gasifiers and small hydro systems.