

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

UNSTARRED QUESTION NO:4089
ANSWERED ON:26.08.2011
ALTERNATIVE ENERGY INVESTMENTS
Singh Alias Pappu Singh Shri Uday

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

- (a) whether the Government anticipates alternative energy investments to generate Rs. 30000 crore worth of business during the current year;
- (b) if so, the details of sectors into which this investment will flow; and
- (c) the efforts being made by the Government to facilitate the investments in the Sector alongwith the details of jobs likely to be generated vis-à-vis Eleventh Plan targets to be met in this regard?

Answer

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

(a)&(b): It is envisaged that a power generation capacity of around 3400 MW (grid-interactive) and 130 MW (off-grid / captive) from various renewable energy sources, mainly wind, solar, biomass and small hydro, will be added in the country during the current financial year 2011-12. The same would require capital investment of the order of around Rs. 29,000 cr. (Rs.14,500 cr. in wind power, Rs. 2,500 cr. in small hydro power, Rs.3,000 cr. in bio-power and Rs.9,000 cr. in solar power). Additional investment of about Rs. 1,000 cr. is envisaged in deployment of decentralized renewable energy systems/ devices like biogas plants, solar water heating systems and SPV lighting systems in remote villages/ hamlets.

(c): The Government has taken several measures to facilitate private sector participation in setting up of the renewable energy projects. These include:

- Fiscal and financial incentives for grid as well as off-grid/ decentralized systems, such as, capital/ interest subsidy/ generation based incentive, accelerated depreciation, nil/ concessional excise and customs duties;
- Generation Based Incentives Scheme introduced for Wind power and Solar Power to attract private investment by Independent Power Producers not availing Accelerated Depreciation benefit.
- Directives under Electricity Act 2003 to all States for fixing a minimum percentage for purchase of electricity from renewable energy sources;
- Preferential tariff for grid interactive renewable power in most potential States following the provisions made under the National Electricity Policy 2005 and National Tariff Policy 2006; Uniform guidelines by CERC for fixation of such preferential tariffs being issued every year.
- Jawaharlal Nehru National Solar Mission initiated in January 2010 to enable large scale capital investment in solar energy applications.
- Amendment in National Tariff Policy to enable Solar specific RPO;
- Payment Security Mechanism for Grid Connected Solar Power Projects under the Mission;
- Wide publicity on the use and utility of renewable energy through electronic and print media, etc.

No targets for employment generation in renewable energy sector were set for the XI plan period. However, the decentralized / distributed nature of renewable energy sources offers large potential for creation of local employment opportunities in particularly the rural and semi-urban areas deprived of conventional power. As per a recent study conducted through the CII, the sector is estimated to have provided direct and indirect employment to about 3.5 lakh persons during 2010.