

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

UNSTARRED QUESTION NO:4126
ANSWERED ON:26.08.2011
INVESTMENT IN CLEAN ENERGY
Shetkar Shri Suresh Kumar

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

- (a) whether India is a favourite destination for investors parking money in clean energy projects.
- (b) if so, details of such investments made in clean energy projects during the last three years and the current year; and
- (c) the fresh initiatives taken by the Government to attract foreign private investments in this sector?

Answer

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

(a): Yes Madam. A recent report by independent consultants E&Y (Ernst & Young Renewable Energy Country Attractiveness Indices, May 2011) has ranked India as the 3rd best investment destination in Renewable energy sector, next only to China and USA.

(b): An investment of about Rs. 4900 crore has been received as FDI equity inflows in the renewable energy sector during the last three years and the current year. Year-wise details are as under:

Year (Apr-Mar)	FDI (Rs./ crore)
2008-09	602.87
2009-10	2,872.41
2010-11	977.71
2011-12	480.34

4933.33

(c): FDI up to 100% under the automatic route is permitted in Renewable Energy Generation and Distribution projects subject to the provisions of the Electricity Act, 2003. Besides existing policy enablers under the Electricity Act; other key initiatives taken in recent past to attract foreign private investments including from foreign countries in the RE sector include introduction of Generation Based Incentives scheme for Wind power to promote projects under IPP mode; launch of Jawaharlal Nehru National Solar Mission with 22,000 MW target for solar power by 2022; Payment Security Mechanism for Grid Connected Solar Power Projects under the Mission; Launch of Renewable Energy Certificate mechanism; and Amendment in National Tariff Policy to enable Solar specific RPO.