

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

STARRED QUESTION NO:423
ANSWERED ON:02.09.2011
FUNDS FOR RENEWABLE ENERGY SOURCES
Ramkishun Shri

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

- (a) the funds provided by the Union Government to various States including Uttar Pradesh for generating power through new and renewable energy sources during the last three years and the current year, State -wise;
- (b) whether the Government has ensured proper utilization of the funds provided;
- (c) If so, the details thereof;
- (d) whether the Government proposes to promote participation of private sector in setting up of renewable energy projects in the States;
- (e) if so, the details thereof, State -wise including Uttar Pradesh; and
- (f) if not, the reasons therefor?

Answer

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

(a), (b),(c),(d),(e) & (f): A statement is laid on the Table of the House.

Statement

Statement referred to in reply to parts (a), (b), (c), (d), (e) & (f) of the Lok Sabha Starred Question No. 423 for answer on 02.09.2011 regarding Funds for Renewable Energy Sources

(a): Projects for power generation from various renewable energy sources are being set up mostly in private sector with largely private investment backed with fiscal and financial incentives from the Union Government. The eligible Central Financial Assistance (CFA)/ Subsidy is disbursed to project developers either directly or through designated State Nodal Agencies/ Departments. State-wise details of the CFA provided for these projects including those in Uttar Pradesh, during the last three years and the current year (as on 31.07.2011), are given in Annexure.

(b) & (c): The utilization of funds is a dynamic process. Mostly the funds are released to project developers only after projects completion to ensure complete utilization. Some funds are released to/ through State Nodal Agencies in installments linked with projects progress, with further releases being made only after utilization of the funds released earlier. The Ministry holds periodic meetings with concerned implementing agencies to review the progress of the projects and hasten the pace of funds utilization.

(d),(e) & (f): Yes, Madam. 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 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.

Jawaharalal Nehru National Solar Mission initiated in January 2010 to enable large scale capital investment in solar energy applications; Payment Security Mechanism for Grid Connected Solar Power Projects under the Mission.

As a result, Grid-interactive power generation capacity of around 20,800 MW (14,723 MW wind power, 3,133 MW small hydro power, 2,898 MW biomass power, and 46 MW solar power) has been installed in various States, including 638 MW in Uttar Pradesh (25 MW small hydro power, 608 MW biomass power, 5 MW Waste-to- power and 0.4 MW solar power) as on 31.7.2011, majority of which is in private sector.