

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

UNSTARRED QUESTION NO:3900  
ANSWERED ON:16.12.2011  
GENERATION BASED INCENTIVE SCHEME  
Jawale Shri Haribhau Madhav

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

- (a) whether the Government has any proposal to introduce Generation Based Incentive (GBI) Scheme in the country;
- (b) if so, the details thereof;
- (c) whether this is applicable for solar or wind energy or both; and
- (d) the eligibility and minimum capacity decided under this scheme?

**Answer**

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

(a): Ministry has already introduced Generation Based Incentive (GBI) schemes separately for wind and solar energy.

(b)&(c): Under the scheme for wind power, a GBI @ Rs. 0.50 per unit of electricity fed into the grid is provided for a period not less than 4 years and a maximum period of 10 years with a cap of Rs. 62 lakhs per MW. The scheme is in parallel with accelerated depreciation but on a mutually exclusive manner. The total disbursement in a year should not exceed one fourth of the maximum limit of the incentive i.e. Rs. 15.50 lakhs per MW during the first four years. The Scheme includes captive wind power projects, but excludes third party sale, (viz. merchant power plants).

Under the Scheme for Solar Energy, GBI is provided to support small grid solar power projects connected to the distribution grid (below 33 KV) to the state utilities. Indian Renewable Energy Development Agency (IREDA) has selected 78 projects with a total capacity of about 98 MW for which the Ministry will provide GBI of Rs. 12.41 per kWh to the State utilities when they directly purchase solar power from the project developers. The quantum of GBI to the utilities is kept fixed, as a difference of the CERC tariff for 2010-11 (Rs. 17.91 per kWh) and a reference tariff of Rs. 5.5 per kWh. These projects are expected to be commissioned during 2011-12. Currently, the scheme is not open to accept new project proposals.

(d): The eligibility criteria for both the schemes are given below:

GBI for Wind Power

There is no minimum capacity fixed under the scheme. The scheme is applicable for the projects commissioned on/after 17.12.2009. Eligibility criteria is that projects should not avail accelerated depreciation and should sell the electricity to grid at a tariff fixed by SERC and/or/State Govt. The projects have to register on-line with Indian Renewable Energy Development Agency (IREDA).

GBI for Solar Power Projects

Grid solar power projects in the capacity range of 100 kW to 2 MW each, connected to HT grid below 33 KV are eligible under the scheme. A project developer is required to be initially pre-registered with the state designated agency and thereafter register online with IREDA. The first 100 MW capacity projects registered with IREDA are eligible for GBI. The project developer is also required to meet the technical requirements on performance and grid connectivity of the solar power plant.