

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

STARRED QUESTION NO:304
ANSWERED ON:31.08.2012
SUBSIDY FOR PRODUCING SOLAR ENERGY
Naqvi Shri Zafar Ali

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

- (a) the amount of subsidy provided to the grid or off grid units producing solar energy;
- (b) whether the subsidy is likely to continue in the Twelfth Five Year Plan;
- (c) if so, the details thereof;
- (d) whether the Union Government has formulated a scheme to promote production of off grid solar energy; and
- (e) if so, the details thereof along with the role of the State Governments therein?

Answer

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

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

Statement referred to in reply to Parts (a),(b),(c),(d)& (e) of the Lok Sabha Starred Question No. 304 for 31st August, 2012.

(a): Under the Off-grid Solar Applications Scheme of Jawaharlal Nehru National Solar Mission (JNNSM), the Ministry is providing subsidy of 30% of the benchmark cost (Rs. 270/- per watt peak) of the solar photovoltaic systems subject to a maximum of Rs.81/- per watt peak for distribution/ installation of solar lanterns, home lights, street lights and standalone power plants. The Ministry is also providing subsidy of 40% of the capital cost limited to Rs.108/- per watt peak for installing solar lanterns, home lights and small capacity PV plants upto 210 Watt peak by individuals through NABARD, Regional Rural Banks and other Commercial Banks. For balance 60% of the cost, the banks extend credit facility to the beneficiary at usual commercial rates. In the Special Category States viz. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim, and North-Eastern States, UT Islands and Districts with International Borders, capital subsidy of 90% of the benchmark cost limited to Rs.243/- per watt peak is available for setting up of standalone SPV power plants/ packs by Central and State Government Ministries, Departments and their organizations, State Nodal Agencies and local bodies.

For installation of solar water heating systems, the Ministry provides a subsidy of Rs. 3000-3300 per sq. meter of collector area to the beneficiary in General Category States and Rs.6000-6600 per sq. meter of collector area in Special Category States depending upon the collector technology.

No subsidy is given by the Government on the capital investment for setting up grid-connected solar power plants. These are installed on build own, operate basis, and the solar project developer is paid a feed-in tariff for the power injected into the grid. However, under the Rooftop Photovoltaic and Small Solar Power Generation Programme (RPSSPGP) which was a onetime 100 MW scheme, a generation based incentive was provided.

(b)&(c): The subsidy for installation of off-grid solar photovoltaic systems and solar water heating systems is continuing during the first year of the 12th Five Year Plan. Since the 12th Plan has not so far been approved by the Government, therefore, the amount of subsidy to be provided for off-grid solar applications has not been finalized. However, it is proposed to take up off-grid solar photovoltaic systems of 800 MW equivalent capacity and solar thermal collector area of 7.5 million sq. meters in the country during the remaining period of the 12 th Five Year Plan.

(d)&(e): Yes, Madam. Government of India has launched JNNSM to be implemented in three phases and has fixed a target of 20,000 MW of grid solar power and 2000 MWp equivalent of Off- grid Solar Applications by 2022. Government has approved the first phase of the Mission and has fixed a target of over 1100 MWp grid solar power projects and 200 MW equivalent of Off- grid Solar Applications under the first phase of JNNSM from 1st April, 2010 to March 2013. The Scheme for Off-grid Solar Applications is being implemented through various channel partners including Central and State Government Ministries and Departments and their organizations, State Nodal Agencies, Utilities, local bodies, etc.