

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

UNSTARRED QUESTION NO:4510  
ANSWERED ON:07.09.2012  
INVESTMENT IN RENEWABLE ENERGY  
Owaisi Shri Asaduddin

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

- (a) whether the Government proposes to invest \$50 billion in renewable energy including wind, solar and biomass segments during the next five years;
- (b) if so, the details thereof;
- (c) whether to achieve the target of renewable energy the Government proposes to attract investment by setting investment promotion cell for single point contract;
- (d) if so, the details thereof; and
- (e) the steps taken or being taken by the Government to attract more investment to achieve the target of such energy ?

**Answer**

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

- (a): No, Madam. Projects for power generation based on renewable energy sources, such as, wind, solar and biomass are being set up in mainly private sector, with largely private investment, backed with some fiscal and financial incentives from the Government.
- (b): Significant capacity of such projects is likely to be added during the next five years with significant capital investment in the range of about Rs.5-10crore/ MW depending on the chosen renewable resource, project location and technology, most of which would come from the private sector.
- (c): Yes, Madam.
- (d) : Electricity being a concurrent subject, it is mainly for the States to enter in to agreements/ contracts with private developers for setting up of renewable power projects in line with their declared policies, including those relating to allotment/ lease of project sites. Certain States organize investment promotion meets and have established single window clearance to attract investment in Renewable Energy. The Ministry of New and Renewable Energy has set up an Investment Promotion Cell to serve as a single point of contact for dissemination of available information w.r.t. potential sites, policies and incentives and providing necessary guidance to prospective investors/ developers of renewable power projects.
- (e): The Government has taken several steps to attract private investment in projects for generation of power from various renewable energy sources. These include the following:
  - # Fiscal and financial incentives, such as, capital/ interest subsidy, accelerated depreciation, nil/ concessional excise and customs duties; 10 years tax holiday on revenue generated from the projects through sale of power
  - # Directives under the Electricity Act 2003 to all States for fixing a minimum percentage for purchase of electricity from renewable energy sources taking into account local factors
  - # 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;
  - # Normative guidelines for fixation of preferential tariffs being issued by CERC every year.
  - # Generation Based Incentives Scheme for Wind Power to attract private investment by Independent Power Producers not availing Accelerated Depreciation benefit.
  - # Jawaharlal Nehru National Solar Mission launched to give a boost to deployment of solar energy systems, solar photovoltaic as well as solar thermal.