

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

UNSTARRED QUESTION NO:3608

ANSWERED ON:14.12.2012

RISK SHARING FACILITY FOR RENEWABLE ENERGY PROJECTS

Chavan Shri Harischandra Deoram; Joshi Shri Pralhad Venkatesh

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

(a) whether the Government has implemented risk sharing facilities to mitigate the market risk associated with renewable energy projects including renewable energy based grids;

(b) if so, the details thereof;

(c) whether the Government proposes to provide partial coverage of risk exposure to private companies for loans provided against renewable energy projects; and

(d) if so, the details thereof and the steps being taken by the Government to leverage private investment in the field of renewable energy along with the measures taken to encourage private companies to set up renewable energy projects in the country?

**Answer**

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

(a): No, Madam. However, a Payment Security Scheme (PSS) for grid-connected solar power projects under the Jawaharlal Nehru National Solar Mission (JNNSM) has been established by the Government.

(b): Gross Budgetary Support not exceeding Rs.486.05 cr. has been approved for the PSS (for projects covered under scheme of bundling with thermal power operated through NVVN) to facilitate creation of a Solar Payment Security Account as a payment risk mitigation strategy in the event of default by State Utilities/ Discoms.

(c): No, Madam.

(d): The Government has taken various steps and measures to attract private investment in setting up renewable power projects. These include:

# Provision of Fiscal and financial incentives such as, capital/ interest subsidy/ generation based incentive, accelerated depreciation, nil/ concessional excise and customs duties; to improve projects viability.

# Provisions under Electricity Act 2003/ National Tariff Policy for fixing a minimum percentage for purchase of electricity from renewable energy sources;

# Preferential tariff for grid interactive renewable power by the various Electricity Regulatory Commissions;

# Implementation of Jawaharlal Nehru National Solar Mission to give a boost to deployment of solar energy systems, solar PV as well as solar thermal/ achieve reduction in cost of solar power.

# Introduction of Payment Security Scheme for grid-connected solar power projects.