

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

UNSTARRED QUESTION NO:1968  
ANSWERED ON:08.03.2013  
INVESTMENT IN RENEWABLE ENERGY SECTOR  
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**Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:**

- (a) whether the Government has sought for investment from certain countries including United Arab Emirates (UAE) in renewable energy sector;
- (b) if so, the details thereof;
- (c) the amount of investment made in renewable energy sector in the country during the last three years and the current year, State/UT-wise; and
- (d) the steps taken/proposed to be taken by the Government to attract more investment in the sector to achieve the target?

**Answer**

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

(a)&(b):The Ministry of New and Renewable Energy organized an Investment Promotion meet at London, United Kingdom in June 2012 with a view to seek investment for setting up of renewable energy power projects in the country. In addition, the government offers fiscal and monetary incentives to renewable energy developers to promote investment. 100% FDI through automatic route is available to investors of Renewable Energy Projects.

(c):There has been Foreign Direct Investment (FDI) inflow to the tune of Rs.8569 Crores (US\$ 1756 million) in the renewable energy sector during the last three years and current years (as on 31.12.2012). State-wise details of Foreign Direct Investment (FDI) and power generation capacity added during the last three years and current year i.e 2009-10, 2010-11, 2011-12 and 2012-13 (as on 31.12.2012) are given at Annexure-I and II.

(d):The Government has taken several steps to encourage development of renewable energy sector. These include the following:

# Private sector companies are partnering with government and co-investing in R&D and technology development.

# Fiscal and financial incentives, such as, capital / interest subsidies, accelerated depreciation, nil/concessional excise and customs duties;

# 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;

# Jawaharlal Nehru National Solar Mission launched to facilitate large scale capital investment in solar energy sector, Payment Security Mechanism for grid connected solar power projects under the Mission.

The Government also has a policy to encourage transfer of foreign technologies, including those in renewable energy sector. Foreign Direct Investment (FDI) upto 100% under the automatic route is permitted in Renewable Energy Generation and Distribution projects subject to provisions of Electricity Act, 2003.