

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

STARRED QUESTION NO:537

ANSWERED ON:03.05.2013

GREEN CESS ON INDUSTRY

Adhalrao Patil Shri Shivaji; Dharmshi Shri Babar Gajanan

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

- (a) whether certain States/UTs have imposed a green cess on generation/sale of electricity;
- (b) if so, the details thereof;
- (c) whether the Union Government has issued any guidelines in this behalf for creation of infrastructure for renewable energy projects;
- (d) if so, the details thereof; and
- (e) the further measures being taken in this regard?

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 Lok Sabha starred Question No. 537 for 03.05.2013

(a) & (b): As per available information the state of Maharashtra has imposed cess of 8 paise per unit from 1st May 2008 on the sale of electricity to commercial and industrial consumers. The cess is to be used for executing schemes of generation of renewable energy.

(c), (d) & (e): The Electricity Act 2003 and Tariff Policy 2006 provide enabling framework for renewable energy projects in the country. Government of India has also been providing fiscal and financial incentives for renewable energy sources based power generation systems and quantum and type of incentive depends upon area, capacity, renewable energy technology, and category of beneficiary etc. Further, profits earned from sale of renewable power are exempt from income tax for any 10 years out of the first 15 years of projects' operation, as applicable to infrastructure projects.

In addition, under an assignment from the Ministry of New and Renewable Energy the Power Grid Corporation of India Ltd. (PGCIL) has prepared a report for augmenting renewable power evacuation infrastructure for the likely renewable power capacity addition during 12th Five Year Plan period in eight major renewable resource rich states namely Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Tamil Nadu and also Jammu & Kashmir.