

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

UNSTARRED QUESTION NO:2401
ANSWERED ON:23.08.2013
COST OF SOLAR ENERGY
Kurup Shri N.Peethambara

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

- (a) whether the cost of solar energy is cheaper than the conventional energy in the country;
- (b) if so, the details thereof and if not the reason therefor;
- (c) whether the Government has any plan to encourage the use of solar energy among the common people; and
- (d) if so, the steps taken by the Government in this regard?

Answer

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

- (a): No, Madam.
- (b): The solar plants are capital intensive. The cost of maintenance is negligible. Therefore, cost of energy produced appears to be high in initial years after installation.
- (c): Yes, Madam.
- (d): Measures taken to encourage the use of solar energy among the common people are as under:
 - (i) Government of India has launched Jawaharlal Nehru National Solar Mission (JNNSM) on 11th January, 2010. The Mission targets deployment of 20,000 MW of grid connected solar power by 2022 in three phases.
 - (ii) Grant of subsidy on off-grid applications.
 - (iii) Provision for renewable purchase obligation for solar has been made in the National Tariff Policy.
 - (iv) Concessional Import duty/Excise duty exemption for setting up of solar power plants, accelerated depreciation and tax holiday.
 - (v) Generation based incentive and facility for bundled power for Grid connected Solar Power Projects through various interventions announced from time to time.
 - (vi) Awareness programmes such as exhibitions, training workshops etc. are being conducted.
 - (vii) Several R&D efforts have been initiated for new technologies and improvement in efficiency.