

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

STARRED QUESTION NO:257

ANSWERED ON:07.02.2014

INVESTMENT IN RENEWABLE ENERGY SECTOR

Adhalrao Patil Shri Shivaji;Yadav Shri Dharmendra

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

- (a) the roadmap prepared by the Government to generate power through exploitation of renewable energy sources including the target set for capacity addition of power during the 12th Plan period;
- (b) the steps taken/being taken by the Government to attract investments both from India and abroad with a view to adding 2500 MW power through renewable energy sources and the success achieved as a result thereof;
- (c) whether his Ministry has also consulted the Ministry of Finance for providing certain additional incentives to this sector;
- (d) if so, the details thereof; and
- (e) the fresh steps taken by the Government to attract more investments in the renewable energy sector to achieve the target?

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 the Lok Sabha Starred Question No. 257 for answer on 07.02.2014 regarding Investment in Renewable Energy Sector.

(a): The Ministry of New and Renewable Energy (MNRE) has set a target of capacity addition of 29,800 MW from renewable energy sources during 12th Plan Period. The target comprises of 15,000 MW from wind, 10,000 MW from solar, 2,100 MW from small hydro and 2,700 MW from bio-power.

(b): The Government is giving various fiscal and financial incentives, such as capital/interest subsidy, generation based incentive, accelerated depreciation, concessional excise and custom duties for the promotion of renewable energy sources in the country. The Government has a policy to encourage transfer of foreign technologies, including those in renewable energy sector. Foreign Direct Investment up to 100% under the automatic route is permitted in Renewable Energy subject to provisions of Electricity Act, 2003. As a result, a capacity addition of over 3,684 MW has been achieved during the first two years of the 12th Plan i.e. 2012-13 and 2013-14 (upto 31.12.2013).

(c)&(d): The Ministry consults Ministry of Finance for providing tax incentives, funding of projects under National Clean Energy Fund, tax free bonds, external assistance for renewable energy.

(e): The steps taken to obtain more investments are as below:-

- i. Investment by the Public and Private sector companies/institutions with the government in Research, Development and Technology Demonstration.
- ii. Fiscal and Financial incentives, such as capital/interest subsidies, accelerated depreciation, nil/concessional excise and customs duties.
- iii. Preferential tariff for grid interactive renewable power 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 issues every year;
- iv. Jawaharlal Nehru National Solar Mission launched to facilitate large scale capital investment in solar energy sector; Viability Gap Funding for grid connected Solar Power Projects under the Mission.
- v. Intensive Resource Assessment.
- vi. Creation of trained and qualified manpower in different aspects of renewable energy.
- vii. Interaction with Central Ministries and Public Sector Undertakings for promotion of renewable energy in their offices/complex as well as programmes implemented by them.