

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

UNSTARRED QUESTION NO:244

ANSWERED ON:20.11.2009

PRIVATE PARTICIPATION IN NON CONVENTIONAL ENERGY SECTOR

Singh Baba Shri K.C.

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

- (a) whether the Government proposes to encourage private sector participation in the field of non-conventional energy sector;
- (b) if so, the details thereof;
- (c) the efforts made by the Government in this regard during each of the last three years and the current year; and
- (d) the response of private entrepreneurs thereto?

Answer

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

(a),(b)&(c):The Government is encouraging private participation in the non-conventional/ renewable energy sector through a mix of fiscal and financial incentives and other policy/ regulatory measures. These include capital/ interest subsidy, accelerated depreciation and nil/ concessional excise and customs duties. Under the Electricity Act 2003, it has been made obligatory upon State Electricity Regulatory Authorities to fix a minimum percentage for purchase of electricity from renewable sources taking into account local factors. Preferential tariff for grid interactive renewable power is being given 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 have been issued recently. Generation Based Incentives Scheme on a pilot basis for Solar Power have also been introduced to attract private investment by Independent Power Producers not availing Accelerated Depreciation benefit.

(d): The aforementioned promotional efforts have led to grid-interactive renewable power generation capacity addition of around 6,367 MW during the last three years, i.e., 2006-07 (2,138 MW), 2007-08 (2,146 MW) and 2008-09 (2,083 MW). Further capacity of around 1056 MW has been added during the current financial year 2009-10 up to 31.10.2009. The total capacity addition of 7,423 MW up to 31.10.2009 is against the plan target of 14,000 MW and has taken place with mostly private investment, which is estimated at over Rs.30,000 crore.