

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

UNSTARRED QUESTION NO:1560
ANSWERED ON:27.11.2009
INVESTMENTS IN RENEWABLE ENERGY SECTOR
Panda Shri Baijayant

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

- (a) whether the Government proposes to formulate an action plan to attract investors in the Renewable Energy Sector by providing certain incentives;
- (b) if so, the details thereof;
- (c) the total installed power generation capacity of renewable energy sources in the country at present, sector-wise;
- (d) whether the Government proposes to make mandatory the sale of power produced from these sources to the big power consumers; and
- (f) if so, the details thereof?

Answer

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

(a) & (b): The Government is already encouraging private participation in the 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. Most recently, the Government has approved a National Solar Mission that is expected to enable large-scale capital investment in solar energy applications.

(c): Around 15,539 MW grid interactive power generation capacity has been installed from renewable energy sources throughout the country as on 31.10.2009. This includes 10891 MW from wind, 2519.88 MW from small hydro, 2057.50 MW from biomass, 67.41 MW from waste to energy and 3 MW from solar.

(d)&(e): Under the Electricity Act 2003, it is obligatory upon State Electricity Regulatory Commissions to fix a certain percentage for purchase of power from renewable energy sources in the area of a distribution license. Such percentage is termed as Renewable Purchase Obligation. Accordingly, regulators in several States have issued orders for Renewable Purchase Obligation varying from 1% to 10%.