

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

UNSTARRED QUESTION NO:2628
ANSWERED ON:12.03.2015
SOLAR POWER PROJECTS
Hegde Shri Anant Kumar Dattatreya

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

- (a) whether many incentives have been announced for setting up solar power projects in the country to promote foreign investment;
- (b) if so, the details thereof;
- (c) whether directives have been issued to the banks regarding setting up these projects to enable them to provide incentives;
- (d) if so, the details thereof and whether the production cost of power generated from Solar Energy projects can increase from Rs. 12 to Rs. 15 per unit; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): Yes, Madam.

(b): The government is providing following incentives to promote setting up of solar power projects in the country, including those with foreign investment:

Fiscal and financial incentives in the form of accelerated depreciation, concessional/ nil customs and excise duties, preferential tariffs and generation based incentives are being provided to improve the viability of the solar power generation units.

Foreign Direct Investment (FDI) is allowed in solar power projects

Foreign companies can bid for tenders by Government of India and State PSUs/ utilities.

(c): The Government is constantly pursuing with banks for financing of solar power projects.

(d)&(e): The current tariffs for the solar power generation, as notified by Central Electricity Regulatory Commission (CERC) for the year 2014-15 are Rs. 7.72/kWh for solar photovoltaic power plants and Rs. 11.88/kWh for solar thermal power plants.

The tariffs for the solar power generation depend on the market conditions and they may change upwards or downwards, according to prevailing market rates for solar power components and interest rates for finance.