

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

UNSTARRED QUESTION NO:3818
ANSWERED ON:19.03.2015
DEVELOPMENT OF CLEAN ENERGY SOURCES
K. Shri Parasuraman

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

- (a) whether the Government has any plan with regard to access of low cost funds and various other avenues such as External Commercial Borrowings towards development of clean energy;
- (b) if so, the details thereof; and
- (c) the rationale behind it?

Answer

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

(a),(b)&(c): Renewable energy technologies have high project development and investments cost and are extremely sensitive to the structure and the conditions of capital cost financing. In this regard concessional line of credits from bilateral and multilateral organizations for development of renewable energy are encouraged.

In order to reduce the cost of financing the Government of India in the financial year 2013-14 has provided Rs.100 crore from the National Clean Energy Fund to the Indian Renewable Energy Development Agency Ltd. (IREDA), a non-banking financial institution under administrative control of the Ministry of New and Renewable Energy, to on-lend to viable renewable energy projects. During the year 2014-15 an amount of Rs.31.35 crore has been released to IREDA for the purpose. Further, IREDA has been approaching various multilateral and bilateral agencies for lines of credit to be utilized for extending term loan to various renewable energy projects. IREDA determines rates of interest based on the overall cost of borrowings including hedging cost and Government guarantee fee, if any.