

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

UNSTARRED QUESTION NO:6888
ANSWERED ON:07.05.2015
INVESTMENT IN SOLAR POWER PROJECTS
Shekhawat Shri Gajendra Singh

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

- (a) whether in a move to initiate private investment in grid connected solar power projects, the Union Government proposes to set up a Solar Payment Security Fund that would guarantee compensation to power producers in case of default by State run distribution utilities, if so, the details thereof;
- (b) whether any scheme is available for photo-voltaic projects that are set up in the first phase of National Solar Mission which provide adequate security to project developers and financiers to make power purchase agreements more bankable and hence secure project financing; and
- (c) if so, the extent to which these measures have helped in improving generation of solar power in the country?

Answer

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

- (a): There is no proposal with the Government to create a general Solar Payment Security Fund to cover all solar power projects in the country. However, under some schemes of the Government, scheme-specific Payment Security Funds have been set up to ensure payment to the solar power developers.
- (b): A Payment Security Scheme with an approved corpus of about 486 crore has been set for the solar power projects under Phase-I of National Solar Mission.
- (c): The implementation of Payment Security Scheme has helped in making the PPAs for solar power projects bankable and has increased confidence in solar power developers which in turn has resulted in increasingly reducing tariffs being bid by them for solar power projects.