

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

UNSTARRED QUESTION NO:3117  
ANSWERED ON:31.07.2014  
AGREEMENT FOR GENERATION OF RENEWABLE ENERGY  
Rudy Shri Rajiv Pratap

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

- (a) whether the Indian Renewable Energy Development Agency Ltd. (IREDA) and The Agence Francaise de Developpement (AFD) has signed a 100 million Euro agreement;
- (b) if so, the details thereof including the terms of agreement and the reasons therefor;
- (c) the details of initiatives being taken by the Government to promote large scale generation and standardization in the renewable energy sector of the country;
- (d) whether the Government has set any targets for generation and standardization of different renewable energy technologies; and
- (e) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

(a)&(b): Yes, Madam. The Indian Renewable Energy Development Agency (IREDA) has signed a 100 million Euro loan agreement with Agence Francaise de Developpement (AFD). The agreement will enable IREDA generate extra resource at low cost of fund without Government of India sovereign guarantee. The salient features of the agreement are as follows:

Eligible Sector : Solar Energy, Bagasse Cogeneration, Small Hydro Energy,  
Wind Energy, Energy Efficiency.  
Period of Loan : 20 years including Moratorium of 5 years.  
Commitment Charges : 0.25% on undrawn amount indicated for each disbursement period  
in the contractual disbursement schedule. (0% if IREDA adheres  
to the agreed disbursement schedule).  
Rate of Interest : Six monthly Euribor + 180 basis points.  
Drawl Period : Five years.

(c): For large scale generation of Renewable Energy, the Ministry of New and Renewable Energy (MNRE) is giving various fiscal and financial incentives, such as capital/interest subsidy, generation based incentives, accelerated depreciation, concessional excise and custom duties for the promotion of renewable energy sources in the country. The other initiatives to promote power generation from renewable energy are, setting up of demonstration projects, intensive resource assessment, development of power evacuation, testing facilities and manpower trainings and awareness raising among people.

(d)&(e): MNRE has set a target of capacity addition of 29,800 MW grid power from renewable energy sources during the 12th Plan period. This target comprises of 15,000 MW from wind, 10,000 MW from solar, 2,100 MW from small hydro and 2,700 MW from bio-power including waste to energy.

MNRE has specified IEC/equivalent BIS standards for equipments/ subsystems /components used in the power plants in Renewable Energy sector.