

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

UNSTARRED QUESTION NO:1848
ANSWERED ON:04.12.2014
NATIONAL SOLAR MISSION
Kateel Shri Nalin Kumar

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

- (a) whether average tariff for solar projects under Batch-II of Jawaharlal Nehru National Solar Mission has come down under Rs. 9/-;
- (b) if so, whether such low tariff quoted by bidders makes these projects risky from investment point of view due to low internal rate of returns;
- (c) if so, whether high borrowing cost is an issue which contributes to the risk profile of the projects; and
- (d) if so, the steps taken by Government to provide access to funds at reasonable interest rate to mitigate the risks associated with the projects?

Answer

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

- (a): Yes, Madam. The average bidded tariff for Solar PV plants selected under Batch-II of Jawaharlal Nehru National Solar Mission (JNNSM) is Rs. 8.77 per unit.
- (b): No, Madam. Similar rates have been quoted against other tenders floated by States also as the cost of setting up a Solar PV power plant has come down substantially.
- (c): The cost of borrowing contributes to the risk profile of any project including solar.
- (d): MNRE is in constant contact with banks and financial institutions to convince them about lending for solar power projects.