

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

UNSTARRED QUESTION NO:1872
ANSWERED ON:04.12.2014
PROCUREMENT POLICY FOR SOLAR POWER PROJECTS
Owaisi Shri Asaduddin

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

- (a) whether despite local procurement conditions stipulated for solar power projects that are set up under National Solar Mission, 70 percent of them have used imported modules or cells;
- (b) if so, the details thereof and reasons therefor;
- (c) whether this shows that local procurement policy of the Government has not been successful;
- (d) if so, the reasons therefor;
- (e) whether there is urgent need to re-look into the local procurement policy by giving domestic cell and modules manufacturers some protection and incentives; and
- (f) if so, the steps taken or being taken by the Government in this regard?

Answer

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

(a)&(b): Under the local procurement conditions stipulated for solar photovoltaic (SPV) power projects allotted under National Solar Mission (NSM) Phase-I specific scheme implemented through NVVN, it was made mandatory for projects on crystalline silicon technology to use modules manufactured in India in case of projects selected in Batch-I during FY 2010-11 and to use both cells and modules manufactured in India in case of projects selected in Batch-II during FY 2011-12. No such restriction was imposed in case of projects based on thin film technology and accordingly import of thin film modules was permitted. During NSM Phase-I, Batch-I, 50% capacity was commissioned using imported modules. During NSM Phase-I, Batch-II, approximately 79% capacity was commissioned using imported modules. In the Scheme of 750 MW Grid connected solar power plants through Viability Gap Funding (VGF) from National Clean Energy Fund (NCEF), under NSM Phase-II, Batch-I, separate category of 375 MW was allotted to be set up with domestically manufactured cells and modules.

(c)&(d): It is not correct to say so because local procurement policy incorporated in NSM has helped domestic manufacturers to get orders under NSM.

(e)&(f): There is no laid down Government of India policy for procurement of Solar cells and modules which applies to all procurement in general. Power procurement is done by Distribution companies/ Power Utilities and they are mostly owned by State Governments who go by their own decisions in this regard. Government of India (GoI) has so far come up with different Schemes under Phase-I of the National Solar Mission to procure power and then supply to the Discoms. The United States of America has challenged under World Trade Organization (WTO), the provision regarding domestically made cells and modules in Batch-I & II of NSM.