

**GOVERNMENT OF INDIA**  
**MINISTRY OF NEW AND RENEWABLE ENERGY**  
**RAJYA SABHA**  
**QUESTION NO 30.11.2009**  
**ANSWERED ON**  
**PROJECTION OF ALTERNATIVE ENERGY SOURCES .**

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Shri Naresh Gujral

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

- (a) the projections of power generation through alternative energy sources for the next five years;
- (b) the amount of investment envisaged to achieve these targets;
- (c) whether Government plans to incentivise the Private Sector to participate in setting up alternate energy power plants in the country; and
- (d) if so, incentives being planned?

**ANSWER**

## THE MINISTER OF NEW AND RENEWABLE ENERGY

(DR. FAROOQ ABDULLAH)

(a): A capacity addition of 12,300 MW grid-interactive renewable power is targeted during the 11th Plan that would lead to a total capacity of around 22,500 MW by March 2012, from 15,539 MW at present (as on 31.10.2009). Further capacity addition of around 25,500 MW is envisaged during the 12th Plan, leading to a total capacity of around 48,000 MW by March 2017 (comprising 33,400 wind power, 5,900 MW small hydro power, 5,200 MW bio power and 3,500 MW solar power aimed under the National Solar Mission approved recently). The same would correspond to a share of about 9% in the then likely electricity-mix from all sources.

(b): The total investment needed for achieving the targeted capacity addition of 12,300 MW during 11th plan period is estimated at Rs.67,000 crore, with budgetary support of around Rs.4,000 crore. The balance is envisaged as private investment driven mainly by fiscal incentives. The capacity addition of 25,500 MW during 12th plan will need total investment to the tune of Rs.1,63,000 crore, which is also envisaged mainly as private investment.

(c)&(d): The Government is already encouraging private sector participation in setting up of various renewable energy projects through a mix of fiscal and financial incentives and other policy/regulatory measures. These include capital/ interest subsidy, accelerated depreciation and nil/ concessional excise and customs duties. Under the Electricity Act 2003, it has been made obligatory upon State Electricity Regulatory Authorities to fix a minimum percentage for purchase of electricity from renewable sources taking into account local factors. Preferential tariff for grid interactive renewable power is being given in most potential States following the provisions made under the National Electricity Policy 2005 and National Tariff Policy 2006. Uniform guidelines by CERC for fixation of such preferential tariffs have been issued recently. The National Solar Mission approved recently is also expected to enable large-scale capital investment in solar energy applications.