GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENRGY
RAJYA SABHA
UNSTARRED QUESTION NO. 428
TO BE ANSWERED ON 25.06.2019

REDUCTION IN COST OF SOLAR ENERGY EQUIPMENTS

428. SHRI RAM NATH THAKUR

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

(a) whether it is a fact that keeping in mind the abundant availability of new and renewable energy, Government is considering reducing the cost of solar energy equipment;

(b) whether it is also a fact that the common man is not able to purchase these equipments due to its high cost; and

(c) the efforts being made by Government to make it cost effective and usable source of energy?

ANSWER

THE MINISTER OF STATE (I/C) FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI R. K. SINGH)

(a) The cost of solar energy equipment is not decided by the Government. The price of these equipment depends upon the market forces.

(b) In order to make the solar energy equipment affordable by common man in the country, the Government is providing capital subsidy that ranges from 30 percent to 90 percent for different categories of beneficiaries, including for, (i) installation of rooftop solar for domestic use; (ii) installation of solar water pump for agriculture; (iii) installation of solar street lights; (iv) providing solar study lamp to school going children; (v) installation of solar power plants of capacity up to 25 kW for public institutions; etc.

(c) The endeavour of the Government is to make use of solar energy cost effective and affordable by the common man and the efforts being taken by the Government of India in this regard, inter alia, includes fiscal and promotional incentives such as capital subsidy, waiver of Inter State Transmission System (ISTS) charges and losses, Viability Gap Funding (VGF) and permitting Foreign Direct Investment up to 100 per cent under the automatic route. Also, to ensure cheaper generation of solar energy, projects are awarded through transparent bidding process i.e. through e-reverse auction. The Government has also issued standard bidding guidelines to enable the distribution licensees to procure solar power at competitive rates in cost effective manner.

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