

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2218
ANSWERED ON 22.03.2022

INCENTIVES FOR WIND ENERGY PRODUCERS

2218. SHRI SANJAY RAUT

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

(a) the details of incentives presently given to the producers of wind energy, particularly in investments and import duty benefits in tariffs to achieve the target of Green Energy in the country;

(b) if so, the details thereof;

(c) whether it is also a fact that Government is considering to withdraw some import duty benefits from wind energy developers; and

(d) if so, the details thereof and the reasons therefor?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER

(SHRI R.K. SINGH)

(a)&(b) The Government has taken several steps to promote renewable energy, including wind energy, in the country. These include:

- permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route,
- waiver of Inter State Transmission System (ISTS) charges for inter-state sale of solar and wind power for projects to be commissioned by 30th June 2025,
- declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2022,
- setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers on a plug and play basis,
- laying of new transmission lines and creating new sub-station capacity for evacuation of renewable power,
- setting up of Project Development Cell for attracting and facilitating investments,
- Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects.
- Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.
- Conducting skill development programmes to create a pool of skilled manpower for implementation, operation and maintenance of RE projects.

In addition to the above, the following steps have been taken specifically for promoting wind energy:

- Concessional custom duty exemption on certain components required for manufacturing of wind electric generators.
- Generation Based Incentive (GBI) is being provided to the wind projects commissioned on or before 31 March 2017.
- Technical support including wind resource assessment and identification of potential sites through the National Institute of Wind Energy, Chennai.

(c) & (d) Ministry of Finance vide its Notification No. 02/2022-Customs dated 01.02.2022 has provided concessional custom duty benefit till 31.03.2023 to the following components of wind turbines:

- Catalyst for use in the manufacture of cast components of Wind Operated Electricity Generator,
- Resin for use in the manufacture of cast components of Wind Operated Electricity Generator,
- Forged steel rings for manufacture of special bearings for use in wind operated electricity generators,
- Parts of wind operated electricity generators, for the manufacture or the maintenance of wind operated electricity generators, namely:(a) Special bearings, (b) Gear box, (c) Yaw components, (d) Wind turbine controllers, and (e) Parts of the goods specified at (a) to (d),
- Parts for the manufacture or the maintenance of blades for rotor of wind operated electricity generators,
- Raw materials for the manufacture of (a) blades for rotor of wind operated electricity generators, or (b) parts, sub-parts of such blades,
- Permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity generators.

Further, the concessional custom duty for the following components of wind turbines is valid till 31.03.2022:

- Wind operated electricity generators upto 30 KW and wind operated battery chargers upto 30 KW,
- Blades for rotor of wind operated electricity generators, for the manufacture or the maintenance of wind operated electricity generators.
