

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 1510
ANSWERED ON 20.12.2022

**PRIORITY LENDING TO COMPANIES PROVIDING ALTERNATIVE SOURCE OF
ENERGY**

1510. SHRI ANIL DESAI

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

- (a) whether it is a fact that, in view of energy crisis in the country, Government is trying to develop alternative sources of energy;
- (b) whether Government is extending help to such companies/entities to develop these sources of energy;
- (c) whether Government has instructed banks to provide financial loan on easy terms; and
- (d) if so, how much loan has been provided to such companies in the last three years?

ANSWER

**THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER
(SHRI R.K. SINGH)**

(a)&(b) In line with Hon'ble Prime Minister's announcement at COP26, Ministry of New and Renewable Energy is working towards achieving 500 GW of installed electricity capacity from non-fossil sources by 2030.

So far, a total of 173.14 GW capacity from non-fossil fuel based energy resources has been installed in the country as on 30.11.2022. This includes 166.36 GW Renewable Energy and 6.78 GW Nuclear Power capacity.

Most of renewable energy projects in the country are being set up by private sector developers selected through a transparent bidding process.

Government have taken several measures to promote renewable energy in the country, which, inter-alia, includes the following:-

- 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 2029-30,
- Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers for installation of RE projects at large scale,
- Schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Solar Rooftop Phase II, 12000 MW CPSU Scheme Phase II, etc,
- Laying of new transmission lines and creating new sub-station capacity under the Green Energy Corridor Scheme for evacuation of renewable power,
- Notification of standards for deployment of solar photovoltaic system/devices,
- 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.
- Notification of Promoting Renewable Energy through Green Energy Open Access Rules 2022.
- Notification of "The electricity (Late Payment Surcharge and related matters) Rules (LPS rules).

- Launch of Green Term Ahead Market (GTAM) to facilitate sale of Renewable Energy Power through exchanges.

(c) & (d) As per Reserve Bank of India (RBI) extant guidelines, the following are eligible for Priority Sector classification:

a) Loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarization of grid connected Agriculture Pumps.

b) Loans to farmers for installation of solar power plants on barren/fallow land or in stilt fashion on agriculture land owned by farmer.

c) Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in activities other than Agriculture or MSME.

d) Bank loans up to a limit of ₹30 crore to borrowers for purposes like solar based power generators, biomass-based power generators, wind mills, micro-hydel plants and for nonconventional energy based public utilities, viz., street lighting systems and remote village electrification etc., and ₹10 lakh per borrower for individual households.

As per information received from RBI, the details of loans disbursed and loans outstanding for “Renewable energy” category, under Priority Sector Lending are as follows:

Total Loans to Renewable energy* (Amount in Rs crore)					
2019-20		2020-21		2021-22	
Disbursement during the year	Outstanding as on March 31, 2020	Disbursement during the year	Outstanding as on March 31, 2021	Disbursement during the year	Outstanding as on March 31, 2022
668.27	1716.88	933.60	1834.01	1900.19	1943.59

* As reported by Public Sector Banks, Private Sector Banks, Foreign Banks and Small Finance Banks

Further, all the projects in Renewable Energy, Energy Efficiency/ Conservation and other Environmentally Sustainable technologies, which are techno-commercially viable, are eligible to obtain loan from Indian Renewable Energy Development Agency (IREDA), a Central Public Sector Undertaking under the administrative control of Ministry of New & Renewable Energy which is a leading organization in financing of renewable energy projects. IREDA provides loans at most competitive rates and have been carrying out periodic revisions in interest rates to align with market requirement.

The details of loan sanctioned and disbursed by IREDA during the last three financial years are given below:

Financial Year	(Rs. in Crore)	
	Loan Sanctions	Loan Disbursements
2021-22	23,921.06	16,070.82
2020-21	11,001.30	8,828.35
2019-20	12,696.11	8,785.31
