

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 3020
ANSWERED ON 19/08/2025

CAPITAL SUBSIDY SCHEME FOR SOLAR SECTOR

3020. SMT. SUNETRA AJIT PAWAR

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

- (a) whether Government has finalised a one billion rupee capital subsidy scheme for the solar sector, if so, the objectives of this subsidy;
- (b) whether this amount is sufficient to achieve India's ambitious renewable energy targets; and
- (c) the key learnings and successes from the implementation of previous phases and the manner in which this new one billion subsidy scheme would advance or modify the existing framework to address identified shortcomings?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI SHRIPAD YESSO NAIK)

(a) to (c) There is no proposal under consideration by the Ministry of New and Renewable Energy for implementation of a one billion rupee capital subsidy scheme for the solar sector. However, the Ministry is implementing various schemes/ programmes with provision of Central Financial Assistance (CFA), to promote solar energy in the country. The details of these schemes/ programmes are given at **Annexure**.

Annexure referred to in reply of part (a) to (c) of Rajya Sabha Unstarred Question No. 3020 to be answered on 19.08.2025 regarding Capital Subsidy Scheme for solar sector

Major ongoing Solar Energy Schemes/Programmes of MNRE

Scheme/Programmes	Incentives presently available as per the Scheme															
a) PM Surya Ghar: Muft Bijli Yojana	1. Under the PMSG: MBY, the CFA for installation of Rooftop Solar in the Residential Sector is given below:															
	<table><tr><th>Type of Residential Segment</th><th>CFA</th><th>CFA (Special Category States/UTs)</th></tr><tr><td>Residential Sector (first 2 kWp of Rooftop Solar (RTS) capacity or part thereof)</td><td>Rs.30,000/kWp</td><td>Rs.33,000/kWp</td></tr><tr><td>Residential Sector (with additional RTS capacity of 1 kWp or part thereof)</td><td>Rs.18,000/kWp</td><td>Rs.19,800/kWp</td></tr><tr><td>Residential Sector (additional RTS capacity beyond 3 kWp)</td><td>No additional CFA</td><td>No additional CFA</td></tr><tr><td>Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc. for common facilities including EV charging up to 500 kWp (@ 3 kWp per house)</td><td>Rs.18,000/kWp</td><td>Rs.19,800/kWp</td></tr></table>	Type of Residential Segment	CFA	CFA (Special Category States/UTs)	Residential Sector (first 2 kWp of Rooftop Solar (RTS) capacity or part thereof)	Rs.30,000/kWp	Rs.33,000/kWp	Residential Sector (with additional RTS capacity of 1 kWp or part thereof)	Rs.18,000/kWp	Rs.19,800/kWp	Residential Sector (additional RTS capacity beyond 3 kWp)	No additional CFA	No additional CFA	Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc. for common facilities including EV charging up to 500 kWp (@ 3 kWp per house)	Rs.18,000/kWp	Rs.19,800/kWp
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2. The PMSG: MBY scheme includes the provision for incentive to DISCOMs to motivate and help them in activities such as create conducive regulatory and administrative mechanisms, achieve targets for implementation. The incentive is pegged at 5% of applicable benchmark cost for capacity achieved above 10% and less than 15% of installed base capacity; 10% of the applicable benchmark cost for capacity achieved beyond 15% of installed base capacity.																
3. To push the deployment of residential rooftop solar system (RTS) and undertake local mobilization efforts, the PMSG: MBY scheme also includes the provision for incentive to the Urban Local Bodies (ULBs) and Panchayat Raj Institutions (PRIs), at the rate of Rs.1000 for every installation of RTS in residential segment in the jurisdiction of ULB/PRI, for which CFA has been transferred to consumer.																
4. Further, a fund of Rs. 800 crore has been provisioned for developing a Model Solar Village in each district of the country,																

	with an assistance of Rs 1 crore per Model Solar Village under PMSG: MBY scheme.
b) Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers	Viability Gap Funding (VGF) support up to Rs. 55 lakhs per MW to the CPSUs/Govt. Organizations entities selected through competitive bidding process.
c) PLI Scheme 'National Programme on High Efficiency Solar PV Modules'	<p>The beneficiaries are eligible for Production Linked Incentive (PLI) on production and sale of solar PV modules. The quantum of PLI eligible for disbursement depends upon:</p> <ul style="list-style-type: none"> (i) quantum of sales of solar PV modules; (ii) performance parameters (efficiency and temperature coefficient of maximum power) of solar PV modules sold; and (iii) percentage of local value addition in modules sold.
d) Solar Park Scheme	<p>(a) Up to Rs. 25 lakhs per Solar Park, for preparation of Detailed Project Report (DPR).</p> <p>(b) Rs. 20 lakh per MW or 30% of the project cost, whichever is lower, for development of shared infrastructure of Solar Park.</p>
e) PM-KUSUM scheme	<p>Component A: Setting up of 10,000 MW of Decentralized Ground/Stilt Mounted Solar Power Plants</p> <p>Benefits available: Procurement Based Incentive (PBI) to the DISCOMs @ 40 paise/kWh or Rs.6.60 lakhs/MW/year, whichever is lower, for buying solar power under this scheme. The PBI is given to the DISCOMs for a period of five years from the Commercial Operation Date of the plant. Therefore, the total PBI payable to DISCOMs is up to Rs. 33 Lakh per MW.</p> <p>Component B: Installation of 14 Lakh Stand-alone Solar Pumps</p> <p>Benefits available: CFA of 30% of the benchmark cost or the tender cost, whichever is lower, of the stand-alone solar agriculture pump is provided. However, in North Eastern States, Sikkim, Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands, CFA of 50% of the benchmark cost or the tender cost, whichever is lower, of the stand-alone solar pump is provided. Component B can also be implemented without State share of 30%. The Central Financial Assistance will continue to remain 30% and rest 70% will be borne by the farmer.</p> <p>Component C: Solarisation of 35 Lakh Grid Connected Agriculture Pumps including through Feeder Level Solarisation</p> <p>Benefits available:</p>

	<p>(a) Individual Pump Solarization (IPS): CFA of 30% of the benchmark cost or the tender cost, whichever is lower, of the solar PV component will be provided. However, in North Eastern States, Sikkim, Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands, CFA of 50% of the benchmark cost or the tender cost, whichever is lower, of the solar PV component is provided. Component C (IPS) can also be implemented without State share of 30%. The Central Financial Assistance will continue to remain 30% and rest 70% will be borne by the farmer.</p> <p>(b) Feeder Level Solarization (FLS): Agriculture feeders can be solarized by the State Government in CAPEX or RESCO mode with CFA of Rs. 1.05 Crore per MW as provided by MNRE. However, in North Eastern States, Sikkim, Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Lakshadweep and Andaman & Nicobar Island, CFA of Rs. 1.75 crore per MW is provided.</p>								
<p>f) Green Energy Corridor Scheme</p> <p>(for development of intra-state and inter-state transmission system for RE projects)</p>	<p>(a) GEC Phase-I (intra-State): CFA of 40% of DPR cost or awarded cost whichever is lower.</p> <p>(b) GEC Phase-II (Intra-State): CFA of 33% of DPR cost or awarded cost whichever is lower.</p> <p>(c) GEC Phase-II (Inter-state): CFA of 40% of DPR cost or awarded cost whichever is lower.</p>								
<p>g) New Solar Power Scheme (for Tribal and PVTG Habitations/Villages) under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN) and Dharti Aabha Janjatiya Gram Utkarsh Abhiyan (DA JGUA)</p>	<table border="1"> <thead> <tr> <th>Components</th><th>Central Share (100%)</th></tr> </thead> <tbody> <tr> <td>Provision of 0.3 kW Solar off-grid system for 1 lakh Tribal and PVTG HHs</td><td>Rs. 50,000 per HH or as per actual cost</td></tr> <tr> <td>Solar street lighting and provision of lighting in 1500 MPCs of PVTG areas (<i>under PM JANMAN component only</i>)</td><td>Rs. 1 lakh per MPC</td></tr> <tr> <td>Solarisation of 2000 public institutions through off-grid solar systems (<i>under DA JGUA component only</i>)</td><td>Rs 1 lakh per kW with maximum solar PV capacity of 20 kW per public institution</td></tr> </tbody> </table>	Components	Central Share (100%)	Provision of 0.3 kW Solar off-grid system for 1 lakh Tribal and PVTG HHs	Rs. 50,000 per HH or as per actual cost	Solar street lighting and provision of lighting in 1500 MPCs of PVTG areas (<i>under PM JANMAN component only</i>)	Rs. 1 lakh per MPC	Solarisation of 2000 public institutions through off-grid solar systems (<i>under DA JGUA component only</i>)	Rs 1 lakh per kW with maximum solar PV capacity of 20 kW per public institution
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