GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 4616
TO BE ANSWERED ON 30.03.2017

POWER GENERATION COST OF RENEWABLE ENERGY

4616.   SHRI B. SRIRAMULU:

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

(a)   whether his Ministry has urged the Goods and Services Tax (GST) Council that is implementing GST in its current form could push up power generation cost, especially of renewable energy, which is likely to dent further the ability of distribution companies to provide electricity unless specific relief measures are built in;
(b)   if so, the details thereof and the reaction of the Ministry of Finance thereto;
(c)   whether the Ministry has urged the GST Council to either consider renewable power as a deemed export or merely assign a zero GST rate for clean energy;
(d)   if so, the details thereof and reaction of the Ministry of Finance thereto;
(e)   whether the Ministry also proposed similar treatment for large hydropower projects, which will be re-classified as renewable energy projects;
(f)   if so, the details thereof and reaction of the Ministry of Finance thereto; and
(g)   the steps being taken by the Ministry for enhancement in production of renewable energy in the country?

ANSWER

THE MINISTER OF STATE FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a) to (f):   Yes Madam, the Goods and Services Tax (GST) Council has been requested to treat supplies to the renewable energy sector either as zero-rated or deemed export. The GST Council has also been requested to treat hydro power plants as part of the renewable energy sector.

 The GST Council has observed that the inputs would be taken into account while deliberating on fitment of goods and services in different tax rate slabs.

 (g):   Government supports renewable energy projects through fiscal and financial incentives and concessional excise and custom duties etc. In addition, Foreign Direct Investment up to 100% under the automatic route is permitted.

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