

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-311
TO BE ANSWERED ON-19.07.2018

INCENTIVES UNDER RENEWABLE ENERGY SCHEMES

311. SHRI PRATHAP SIMHA:

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

- (a) the details of incentives being offered by the Government in the form of Central Financial Assistance under various renewable energy schemes/programmes including wind, hydro power, etc. in the country;
- (b) whether the Government is implementing Green Energy Corridor Scheme to encourage utilities to integrate large scale wind, hydro, solar power, etc. generation capacity in the renewable energy rich States;
- (c) if so, the details thereof;
- (d) whether the State Electricity Regulatory Commissions (SERCs) have been mandated to purchase energy from renewable sources of energy; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER (I/C)
(SHRI R.K. SINGH)

(a) The details of incentives being offered by the Government in the form of Central Financial Assistance under various renewable energy schemes/programmes including wind, hydro power, etc. in the country are given in **Annexure**.

(b) & (c) The Intra-State Transmission System Green Energy Corridor project is being implemented by State Transmission Utilities of Eight renewable energy rich States, namely Tamil Nadu, Rajasthan, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Himachal Pradesh and Madhya Pradesh. The total project cost is Rs. 10,141 crore and is being implemented with funding pattern: 20% State Equity, 40% NCEF Grant (total 4056.67 crore) and 40% KfW loan (500 million EUR). The project includes laying of approx. 9400 ckm transmission lines and erecting substations of approx. 19000 MVA.

The, Inter-State Transmission Network project is being implemented by the Power Grid Corporation of India Limited (PGCIL). The total project cost is Rs. 11,369 crore with 30% equity from PGCIL i.e. Rs. 3410 crore and 70% concessional loan, i.e. Rs. 5203 Crore under KfW financing and Rs. 2756 Cr under ADB financing. This includes approx. 3200 ckms line and six substations of total 18,000 MVA.

(d) & (e) The Section 86(1)(e) of the Electricity Act, 2003 mandates State Electricity Regulatory Commissions to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

Subsidies and Incentives being provided as Central Financial Assistance (CFA) for the installation of various renewable energy programmes.

A. GRID-INTERACTIVE RENEWABLE POWER PROGRAMMES:

1. Wind Power Projects.		
Wind Projects		Accelerated depreciation benefits upto 40%
2. Solar Power Projects.		
a) Solar PV Power projects under Jawaharlal Nehru National Solar Mission (JNNSM) Phase-II, Batch-I of total 750 MW with Viability Gap Funding (VGF) support from National Clean Energy Fund (NCEF).	Minimum Project Capacity 10 MW Maximum Project Capacity 50 MW	VGF support up to 30% of Project Cost limited or maximum of Rs.2.50 Cr/MW whichever is less, based on reverse bidding process for power producers.
b) Grid Connected Rooftop Solar PV Power Projects in residential, institutional and social sector	Benchmark of Rs 60 to 70 per watt depending upon the capacity.	Central Financial Assistance (CFA) up to 30% of benchmark cost for the General Category States/UTs and up to 70% of benchmark cost for Special Category States/UTs, i.e. North Eastern States including Sikkim, Uttarakhand, Himachal Pradesh, Jammu & Kashmir and Lakshadweep, Andaman & Nicobar Islands is provided to consumers for installation of grid connected solar rooftop projects. Incentives are also provided for promotion of roof top SPV power in Government sector. No subsidy is provided for commercial and industrial establishments in private sector.
c) Grid connected Solar PV Power Projects by Central Public Sector Undertakings (CPSUs).	Total size of the scheme 1000MW.	VGF support to the CPSUs/Govt. Of India Organisations at a fixed rate of Rs.1 crore/MW for projects where domestically produced cells and modules are used and Rs. 0.50 crores/MW in cases where domestically produced modules are used.
d) Grid-connected Solar PV Power plants on Canal Banks and Canal Tops	1 MW to 10 MW	Rs 1.5 Crore/MW for Canal Bank and Rs 3.0 Crore/MW for Canal Top Projects, subject to 30% of the project cost in both the cases.
e) Solar Park Scheme	--	25 lakh per Solar park for preparation of Detailed Project Report(DPRs). 20 Lakh per MW or 30% of the project cost including Grid-connectivity cost, whichever is lower.
f) Solar PV scheme for Defence Establishments	--	Tender issued before 17/02/2017- VGF support is 2.50 cr/MW Tender issued after 17/02/2017- Rs 1.1 crore / MW for all capacities.

3. Small Hydro Power (SHP) Projects: (valid for the projects commenced on or before 31-03-2017)**

Support to new SHP projects (producers) in Government sector:

Category	Above 100 KW and up to 1000 KW	Above 1 MW – 25 MW
Special category (J&K, HP &UK) and NE States	75,000 per KW.	7.5 Crores / MW limited to 20 crore per project.
Other States	35,000 per KW.	3.5 Crores / MW limited to 20 crore per project.

Support to new SHP projects (producers) in private / co-operative / joint sector:

Areas	Upto 25 MW
N E Region, J & K, H.P. &Uttarakhand (Special Category States)	1.5 crore/ MW limited to 5.00 crore per project
Other States	1.0 crore/ MW limited to 5.00 crore per project

Renovation and Modernisation:

for Government Sector projects	Rs 1.00 crore/MW limited to 10.00 crores per project.
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*** Incentive schemes for the projects commencing after 1st April 2017 has been approved by EFC and note for CCEA is under preparation.*

4. BIOMASS BASED COGENERATION IN SUGAR MILLS AND OTHER INDUSTRIES IN THE COUNTRY (UP TO MARCH 2020)

Central Financial Assistance (CFA) will be provided at the rate of Rs.25 Lakh/MW (for bagasse cogeneration projects) and Rs.50 Lakh/MW (Nonbagasse Cogeneration projects) under the scheme.

5. Waste to Energy Projects:

Type of Waste	Central Financial Assistance to Producers
Municipal Solid Waste	Rs.2.00cr./MW, Max. Support 10 Cr. /project.
Urban Waste	Rs.2.00cr./MW, Max. Support 5 Cr. /project.
Industrial waste	Rs. 0.20cr to Rs. 1.00cr/MW, Max. Support Rs.5.00cr/project.

B. OFF-GRID / DECENTRALIZED RENEWABLE ENERGY PROGRAMMES:

Central Financial Assistance under the New National Biogas and Organic Manure Programme, (NNBOMP) w.e.f. 01.04.2018 for the Medium Term Plan of 14th Finance Commission up to March, 2020 for Biogas Plant size from 1 cu.m. to 25 cu.m. per day.

1. New National Biogas and Organic Manure Programme, (NNBOMP) w.e.f. 01.04.2018

Sno	Particulars of Central Financial Assistance (CFA) and States / UTs, Regions & Categories of beneficiaries	Biogas Plants under NNB OMP (size 1 to 25 cubic metre biogas per day) (In Rupees per plant)				
		1 Cubic Metre	2-6 Cubic Metre	8-10 Cubic Metre	15 Cubic Metre	20 - 25 Cubic Metre
A	Central Subsidy Rates Applicable (In Rs. per plant)					
	I. NER States, including Sikkim and including SC and ST Categories of NER.	17,000	22,000	24,000	25,000	35,000
	II. Special Category States (Jammu & Kashmir, Himachal Pradesh, Uttarakhand, and Andaman & Nicobar Islands) and III. Scheduled Castes / Scheduled Tribes of all other States.	10,000	13,000	18,000	21,000	28,000
	All other States (General Category)	7,500	12,000	16,000	20,000	25,000
B	Additional Subsidy for cattle dung based biogas plants if linked with sanitary toilets, only for individual households (Rs. Per Biogas Plant) fixed amount.	1,600	1,600	1,600	Nil	Nil

2.	Decentralized Solar Photovoltaic Systems.	
	a) Lighting systems/ Power packs	Subsidy of 30% of the device/ project cost
	b) Solar pumps	Subsidy of 30%, 25%, and 20% depending upon pump capacity.
	c) Solar Study lamps	Student contribution Rs 100 Balance to be paid as Central Financial Assistance.
	d) Solar Street light under AJAY scheme	75% of the project cost
3.	Concentrating Solar Thermal Technology	30% of the project cost.
4.	Micro-hydel plants/ Water mills: (valid for the Administrative approval issued till 31/3/2017)	Subsidy/CFA to producers:
		Rs. 1.25 lakh/kW for Micro-hydel upto 100 kW.
		Rs.0.50 lakh per Watermill for Mechanical output.
		Rs.1.50 lakh per Watermill for Electrical Output.
5.	Biomass Gasifier	CFA/Subsidy to consumers:
		Rs. 15,000 /kW (with 100% producer gas engine)
		Rs. 2,500/kW for duel fuel engine
		Rs. 2.0 lakh per 300 kW for Thermal Applications
		20% higher CFA for special category states

