

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-3824

TO BE ANSWERED ON-09.08.2018

SUBSIDY POLICY FOR RENEWABLE ENERGY SECTOR

3824. SHRI SUKHBIR SINGH JAUNAPURIA

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

- (a) whether the Government has initiated/is contemplating to initiate a better subsidy policy for renewable energy sector;
- (b) if so, the details thereof;
- (c) whether the Government has formulated/is considering to formulate a new cheap renewable energy investment policy to reduce the cost of renewable energy units;
- (d) if so, the details thereof; and
- (e) the number of families in Tonk-Sawai Madhopur district of Rajasthan benefited by the above-mentioned policies during the last three years?

ANSWER

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

(a & b) The Government is implementing various schemes/programs to promote development and deployment of renewable energy in the country. The Central Financial Assistance (CFA) incentives/subsidies being provided vary from scheme to scheme for approved time period as per the scheme/program. The details CFA/ incentives/subsidies being offered presently under various schemes/programs of Ministry of New & Renewable Energy are given in the **Annexure**.

(c & d) The Government has taken various steps to reduce the cost of renewable energy. These, inter-alia, include the following:

- (i) Announcement of a target of installing 175 GW of renewable energy capacity by March, 2022;
- (ii) Declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2021-22;
- (iii) Fiscal & financial incentives such as Capital Subsidy, Viability gap funding (VGF), accelerated depreciation benefits, etc;
- (iv) Permitting 100% Foreign Direct Investment (FDI) under the automatic route in renewable energy sector;
- (v) Issued guidelines for procurement of solar and wind power through tariff based competitive bidding process;
- (vi) Waiving of Inter State Transmission System Charges and losses for inter-state sale of solar and wind power for projects to be commissioned up to March, 2022;
- (vii) Raising funds from bilateral and multilateral finance and development institutions;
- (viii) Implementation of Green Energy Corridor project to facilitate integration of large scale renewable generation capacity addition.

(e) As per Rajasthan Renewable Energy Corporation Limited, 197 households of Tonk district have been benefitted through solar photovoltaic (SPV) off grid domestic lighting systems. Further, 558 farmers of Tonk district and 78 farmers of Sawai Madhopur district have been benefitted through solar water pumping scheme.

ANNEXURE

**Annexure referred to in reply to parts (a&b) of Lok Sabha Un-starred Question No. 3824 for 9/8/2018 regarding ‘Subsidy Policy for Renewable Energy Sector’
CFA/Subsidies/Incentives being provided for the development & deployment of various renewable energy sources**

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 Organizations 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 Modernization:

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)

Type of Project	Rate of CFA
Bagasse Cogeneration in Sugar Mills	Rs 25 lakh/MW calculated on surplus exportable power
Biomass(Non-bagasse) Cogeneration in Industries	Rs 50 laks/MW calculated on installed capacity

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 dual fuel engine Rs. 2.0 lakh per 300 kW for Thermal Applications 20% higher CFA for special category states

