

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO-3847**

TO BE ANSWERED ON-03.01.2019

**SUBSIDY ON EQUIPMENTS**

3847. SHRI AJAY NISHAD

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

- (a) whether the Government proposes to increase the subsidy on equipment used in renewable energy projects including solar energy projects and wind energy projects;
- (b) if so, the details thereof; and
- (c) the details of amount of subsidy being permitted on such equipments currently?

**ANSWER**

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

(a) to (c) The Government is implementing various schemes/programs to promote development and deployment of renewable energy projects including solar energy and wind energy projects 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 of CFA/ incentives/subsidies being offered presently under various schemes/programs of Ministry of New & Renewable Energy are given in the **Annexure**.

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**ANNEXURE**

**ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION  
NO. 3847 FOR 03.01.2019**

**DETAILS OF CFA/SUBSIDIES/INCENTIVES BEING PROVIDED FOR THE  
DEVELOPMENT & DEPLOYMENT OF VARIOUS RENEWABLE ENERGY SOURCES**

**A. GRID-INTERACTIVE RENEWABLE POWER PROGRAMMES:**

|   |  |   |
|---|--|---|
| <b>1. Wind Power Projects.</b>  |  |   |
| Wind Projects   |  | Accelerated depreciation benefits upto 40%  |
| <b>2. Solar Power Projects.</b>   |  |   |
| 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<br><br>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).<br><br>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<br>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         |

**Renovation and Modernization:**

|                                |   |
|--------------------------------|---|
| for Government Sector projects | Rs 1.00 crore/MW limited to 10.00 crores per project. |
|--------------------------------|---|

**\*\* Incentive schemes for the projects commencing after 1<sup>st</sup> 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)**

| <b>Type of Project</b>                           | <b>Rate of CFA</b>                                   |
|--|--|
| 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:**

| <b>Type of Waste</b>  | <b>Central Financial Assistance to Producers</b>             |
|-----------------------|--|
| 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 14<sup>th</sup> 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<br>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. | <b>Decentralized Solar Photovoltaic Systems.</b> |  |
|    | 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<br>Balance to be paid as Central Financial Assistance. |
|    | d) Solar Street light under AJAY scheme          | 75% of the project cost  |

|    |   |   |
|----|---|---|
| 3. | <b>Concentrating Solar Thermal Technology</b>   | 30% of the project cost.                          |
| 4. | <b>Micro-hydel plants/ Water mills:</b><br>( 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. |
| 5. | <b>Biomass Gasifier</b>   | Rs.1.50 lakh per Watermill for Electrical Output. |
|    |   | 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        |