

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 4221**  
TO BE ANSWERED ON 18.07.2019

**PROBLEMS FACED BY RENEWABLE ENERGY SECTOR**

4221. SHRI SRIRANGA APPA BARNE  
DR. SHRIKANT EKNATH SHINDE

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

- (a) whether integration of renewables, including hydro, is unlikely to be a concern in the next three to five years, if so, the details thereof;
- (b) whether renewable energy is faced with the problems such as piling up of payments' policy hurdles and regulatory concerns in some cases;
- (c) if so, the details thereof along with the reasons therefor;
- (d) whether renegotiation of power purchases agreements (PPAs) has not resulted in reduction of tariffs;
- (e) if so, the details thereof along with the reasons therefor; and
- (f) the steps taken by the Government to address the problems faced by the renewable energy sector?

**ANSWER**

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

(a) Yes Sir. In order to integrate increasing share of renewable energy into the grid, a number of policy and regulatory measures have been undertaken. These include flexible operation of conventional generation projects, forecasting and scheduling of renewable power, setting up of Green Energy Corridors, and establishing Renewable Energy Management Centres.

(b) and (c) Delay in payment by some Distribution Companies to renewable energy producers and delay in adoption of the tariff arrived at through competitive bidding process by some of the State Electricity Regulatory Commissions are some of the problems faced by the renewable energy sector.

(d) and (e) In the year 2017, in Uttar Pradesh, negotiation of Power Purchase Agreements (PPAs) for renewable energy projects undertaken as per direction of Uttar Pradesh Electricity Regulatory Commission (UPERC) led to reduction in tariff. This was done since the rates obtained through competitive bidding process appeared to the UPERC on much higher side. No other instance has been reported to the Government of India, where negotiation of PPAs between buyers and sellers of electricity from renewable energy projects has led to reduction in tariff.

(f) In addition to the steps mentioned in reply to part a) above, other measures taken to address the problems faced by the renewable energy sector include: a) guidelines for transparent tariff based bidding for solar and wind power projects; b) creation of Payment Security Mechanism; c) waiver of Inter-State Transmission Charges and losses; and d) notification of standards for deployment of solar photovoltaic system/devices.

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