

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 4239
TO BE ANSWERED ON 19.03.2020

INVESTMENT IN RENEWABLE ENERGY PROJECTS

4239. MS. PRATIMA BHOUMIK

SHRI BHAGWANTH KHUBA

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

- (a) whether the Government has any data with regard to the investment made by Banks and Financial Companies to finance renewable energy projects in the country during the last five years and if so, the details thereof, year and project-wise;
- (b) the investment required to achieve the production target of 175 GW of renewable energy by 2022 including investment needed for transmission and up-gradation;
- (c) whether the present pace/scenario of investment is adequate to meet the financial requirements of various projects needed to achieve target; and
- (d) if so, the details thereof and if not, the reasons therefor along with the steps taken by the Government to facilitate more investment in this sector?

ANSWER

THE MINISTER OF STATE (I/C) FOR NEW & RENEWABLE ENERGY, POWER and MoS for
SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI R.K. SINGH)

(a) Year-wise estimated investment made in Renewable Energy sector in the country during last five years as per Bloomberg New Energy Finance(BNEF) report are given in **Annexure**.

(b) A cumulative renewable energy capacity of 86.75 GW has already been installed in the country upto 29th February 2020. To achieve the balance target of 88.25 GW, an estimated investment of around Rs 4,21,861 crore is required at present capital costs. Further, in order to evacuate and integrate 175 GW of RE power by 2022, the Ministry of New and Renewable Energy has made a plan to set up new transmission systems of 66.5 GW at approx. cost of Rs. 43000 crore.

(c) Most of the grid connected renewable energy projects in the country are being implemented by the private sector developers selected through transparent competitive bidding process. However, sufficient financial resources (both domestic and international) are available for the investments/ meeting financial requirements to achieve 175 GW of RE installed capacity by 2022. These include Domestic Bonds, Green Bonds, Masala Bonds, External Commercial Borrowings, International Lines of Credit, Pension and Sovereign Funds, Alternate Investment Funds, etc., besides loans from financial institutions.

(d) The steps taken by the Government to facilitate investment in the country for renewable energy projects, inter-alia, include permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route, strengthening of Power Purchase Agreements(PPAs), mandating requirement of Letter of Credit(LC) as payment security mechanism by distribution licensees for ensuring timely payments to RE generators, setting of Ultra Mega Renewable Energy Parks to provide land and transmission on plug and play basis, waiver of Inter State Transmission System (ISTS) charges and losses for inter-state sale of solar and wind power for projects to be commissioned by 31st December, 2022, notification of standard bidding guidelines to enable distribution licensee to procure solar and wind power at competitive rates, declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2022, laying of transmission lines under Green Energy Corridor Scheme for evacuation of power in renewable rich areas launching of new schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Solar Rooftop Phase II, 12000 MW CPSU Scheme Phase II, etc.

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO.4239, Part (a)

TO BE ANSWERED ON 19/3/2020

As per Bloomberg NEF, the Investment trends in Indian Renewable Energy Sector during last 5 years are as follows:

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Investments (*)	USD 9.9 Bn (Rs.72,972 Cr)	USD 13.7 Bn (Rs.1,00,982 Cr)	USD 11 Bn (Rs.81,080 Cr)	USD 10.8 Bn (Rs 79,606 Cr)	USD 9.3 Bn (Rs.68,550 Cr)

* As per Bloomberg New Energy Finance (BNEF), the values in INR derived taking 1 USD = Rs.73.71
Bloomberg New Energy Finance (BNEF) is one of the reputed and leading international agency in the field of primary research on clean energy and investments