

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 4338
TO BE ANSWERED ON 19.03.2020

INCENTIVES FOR RENEWABLE ENERGY TECHNOLOGY

4338. SHRIMATI APARAJITA SARANGI

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

- (a) whether the Government has any scheme/plan to incentivise the local development including manufacturing of renewable energy technology but not limited to solar and wind capture technologies;
- (b) if so, the details thereof along with any incentives disbursed to the public;
- (c) whether the Government has collaborated with the Ministry of Finance through its Make in India campaign to achieve such development; and
- (d) if so, the details thereof?

ANSWER

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

(SHRI R.K. SINGH)

(a) & (b) The Government has taken a number of initiatives for incentivising local development in manufacturing of renewable energy technologies, namely:

(i) Preference to 'Make in India' in Renewable Energy Sector: Ministry of New & Renewable Energy (MNRE) vide its O.M. No. 146/57/2018-P&C dated 11.12.2018 has prescribed the minimum percentage of local content required for all major categories of renewable energy projects like hydro power projects, wind power projects, off-grid/ decentralised solar power projects, grid connected solar power projects, biomass gasifier projects, biomass cogeneration projects, municipal solid waste (MSW) projects and waste to energy (biogas /bio-CNG) projects and has also stipulated that in such projects, apart from civil construction, preference shall be provided by Central Ministries/ Department and Central PSUs to domestically manufactured/ produced products.

(ii) Imposition of Safeguard Duty on import of solar PV cells & modules: Based on the final findings of Directorate General of Trade Remedies (DGTR) in investigations concerning imposition of Safeguard Duty on import of solar cells/ modules, the Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, have imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels.

(iii) Implementation of WTO compliant Domestic Content Requirement: Under the current schemes of the Ministry of New & Renewable Energy (MNRE) like CPSU Scheme Phase-II, PM-KUSUM and Grid-connected Rooftop Solar Programme Phase-II, wherein government subsidy is given, it has been mandated to source solar PV cells and modules from domestic sources, as per extant Guidelines, in a WTO compliant manner.

(iv) Manufacturing linked power project tenders: Solar Energy Corporation of India Limited (SECI) has concluded bidding for a tender for setting up of Solar PV Power plants linked to setting up of Solar PV Manufacturing facilities.

(v) Incentives to domestic manufacturing in Wind sector: Government is promoting manufacture of wind turbine generators in India through fiscal incentives such as concessional custom duty exemptions on import of critical components which includes (a) Gear box, (b) yaw component, (c) wind turbine controllers, (d) special bearings, (e) parts of items from (a) to (d), (f) Blades and its parts, sub parts and raw materials of blades (g) Permanent magnets for Wind Turbine Generator (WTG) capacity above 500 kW, (h) Forged steel rings required for manufacturing of special bearing of WTG as per Ministry of Finance notification no. 50/2017- customs dated 30.06.2017. This incentive is applicable to manufacturers only.

Under CPSU Scheme Phase-II / Government Producer Scheme, Viability Gap Funding (VGF) of around Rs. 319 crore has been released till date.

(c) & (d) In pursuance to 'Make in India' campaign of Government of India, the Ministry of New & Renewable Energy (MNRE) vide its O.M. No. 146/57/2018-P&C dated 11.12.2018 regarding "Implementation of Public Procurement (Preference to Make in India) Order for Renewable Energy Sector" has prescribed the minimum percentage of local content required for all major categories of renewable energy projects and has stipulated that apart from civil construction, preference shall be provided by Central Ministries/Department and Central PSUs to domestically manufactured/ produced products for small hydro power projects, wind power projects, off-grid/ decentralised solar power projects, grid connected solar power projects, biomass gasifier projects, biomass cogeneration projects, municipal solid waste (MSW) projects and waste to energy (biogas /bio-CNG) projects.
