

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-1809
ANSWERED ON-11.02.2021

DOMESTIC PRODUCTION OF SOLAR CELLS

1809. SHRI UTTAM KUMAR REDDY NALAMADA

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

- (a) whether the Government proposes to achieve its objective of generating 100 GW of Solar Energy by 2022;
- (b) if so, the details thereof including the current renewable energy generation capacity;
- (c) the amount of investment required to achieve the target along with the mechanisms through which the Government will raise the required investment;
- (d) the steps taken by the Government to encourage domestic production of solar cells and to make the Indian solar cells competitive to the Chinese cells;
- (e) whether the Government also proposes to create manufacturing clusters and framing a solar manufacturing policy in order to create a suitable manufacturing ecosystem; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(SHRI R.K. SINGH)

(a) Yes. Sir.

(b) The Government has set a target of 100 GW solar power by year 2022. As on 31.12.2020, the renewable generation capacity set up in the country is around 91 GW, which includes around 37 GW of solar power generation capacity. This does not include large Hydro, which is also recognized as Renewable Energy.

(c) To achieve the target of 100 GW solar power, around 63 GW of solar power capacity is required to be added to the present solar power generation capacity of around 37 GW. Considering the capital investment of Rs. 4,000 crores/ GW, the amount of additional investment required is around Rs. 2.5 lakh crores. This investment is expected to largely come from the private sector.

Further, Government is also implementing various schemes such as Grid-connected Rooftop Solar Programme Phase-II, PM-KUSUM, CPSU Scheme Phase-II (Government Producer Scheme), etc. in which incentives/ financial assistance is provided by Government.

(d) to (f) The steps taken by the Government to encourage domestic production of solar cells and to make the Indian solar cells globally competitive, are as follows:

(i) Modified Special Incentive Package Scheme (M-SIPS) of Ministry of Electronics & Information Technology: The scheme mainly provides subsidy for capital expenditure – 20% for

investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The Scheme was open to receive applications till 31st December, 2018.

(ii) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules: In order to enhance India's manufacturing capabilities and exports, on 11.11.2020, the Cabinet has given 'in-principle' approval for introduction of the Production Linked Incentive (PLI) Scheme in ten sectors, including High Efficiency Solar PV Modules. The outlay for PLI Scheme for High Efficiency Solar PV Modules is Rs. 4,500 crores.

(iii) Imposition of Safeguard Duty on import of solar PV cells & modules: The Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, and notification no. 02/2020-Customs (SG) dated 29th July, 2020, has imposed Safeguard Duty on import of solar cells whether or not assembled in modules or panels.

(iv) 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.

An Expenditure Finance Committee (EFC) Memo has been circulated by Ministry of Power for setting up of manufacturing zones for power and renewable energy equipment. The sponsors of the Scheme are Ministry of Power and Ministry of New & Renewable Energy (MNRE).
