

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-537
ANSWERED ON-04.02.2021

COST OF SOLAR PANELS

537. SHRI S. JAGATHRAKSHAKAN

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

- (a) the whether the Government is aware that the domestic manufacturing sector needs doses of reforms and reliefs to match the cost of solar panels from China and if so, the details thereof;
- (b) whether a long-term perspective to manufacturing industry coupled with tariff and non-tariff barriers can make our domestic manufacturing sector truly 'Atmanirbhar' and if so, the details thereof; and
- (c) the measures taken/being taken by the Government thereto?

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.

The Directorate General of Trade Remedies (DGTR) in its findings dated 18.07.2020 in matter of review investigation for continued imposition of Safeguard Duty on imports of "Solar Cells whether or not assembled in modules or panels" into India, has stated that the imports of solar cells and modules in India have not only continued to cause serious injury to the Domestic Industry but also threaten to cause serious injury to the domestic producers of solar cells and modules.

(b) & (c) The Government has set a target of 450 GW of renewable power by year 2030, which would inter-alia, require addition of around 30 GW of solar power per annum for around next 10 years, thereby providing a long-term perspective for solar manufacturing industry.

In order to enhance India's manufacturing capabilities and enhancing exports under Atmanirbhar Initiative, on 11.11.2020, the Government has approved the introduction of 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.

In addition to PLI, the Government has taken following measures to support domestic solar PV manufacturing:

(i) Modified Special Incentive Package Scheme (M-SIPS) Scheme 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) Preference to 'Make in India' in Public Procurement in Renewable Energy Sector: Ministry of New & Renewable Energy (MNRE) vide its Order No. 283/22/2019-GRID SOLAR dated 23.09.2020, has inter-alia, prescribed that in public procurement of solar PV modules and inverters, only Class-I local supplier shall be eligible to bid. Class-I local supplier means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%.

(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, as per extant Guidelines.

(v) Increased duty on solar inverters and solar lanterns: To encourage domestic production, Government has raised duty on solar invertors from 5% to 20%, and on solar lanterns from 5% to 15%.
