

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO-556**  
ANSWERED ON-22/07/2021

**INTEGRATION OF RENEWABLE ENERGY**

556. SHRI SUSHIL KUMAR SINGH

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

- (a) the steps being taken by the Government to ensure variable renewable energy integration in the national interconnected grid;
- (b) the steps being taken to ensure that the DISCOM clear their dues to power generation companies;
- (c) whether the Government has issued any advisory to States to ensure that they do not renege from already negotiated power purchase agreements;
- (d) if so, the details thereof; and
- (e) if not, the steps being taken by the Government to ensure that power generation business, especially when it comes to renewable energy is economically viable?

**ANSWER**

**THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER**

**(SHRI R.K. SINGH)**

(a) The steps taken to facilitate Renewable Energy (RE) integration into the grid include:

- i. Innovative products like solar-wind hybrid projects, RE projects with energy storage systems and supply of RE power balanced with power from non RE sources, to reduce intermittency.
- ii. Construction of Intra-State and Inter-State transmission systems for evacuation of RE.
- iii. Setting up of Regional Energy Management Centers (REMCs).

(b) As per the Liquidity Infusion Scheme announced by the Government of India as part of Atmanirbhar Bharat Abhiyan on 13th May, 2020, Rural Electrification Corporation (REC) and Power Finance Corporation (PFC) are extending special long term transition loans up to 10 years to Discoms for liquidating outstanding dues of Central Public Sector Enterprise (CPSE) Generation companies and Transmission companies, Independent Power Producers and Renewable Energy (RE) generators.

Further, Ministry of Power vide its Order No. 23/22/2019-R&R dated 28.06.2019 has made it mandatory for Distribution Licensees/ Procurers of Power to open and maintain adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements. As per the said Order, National Load Despatch Centre (RLDC) and Regional Load Despatch Center (RLDC) shall despatch power only after it is intimated by the Generating Company and /Distribution Companies that a Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned Generating Company.

(c) to (e) Yes Sir. Government have stated that contracts must be honoured.

The standard bidding guidelines for solar, wind and hybrid projects have specific provision for termination compensation in case of unilateral termination of Power Purchase Agreement (PPA). The guidelines also provide for a three-tier payment security mechanism by way of letter of credit, payment security fund and Tri-Partite Agreement (between the State Government, Reserve Bank of India and Govt. of India).

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