

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3506**  
ANSWERED ON 24.03.2022

**POWER SUPPLY UTILISED BY SMALL BUSINESSES**

3506. SHRI RAJENDRA AGRAWAL  
SHRI RAJBAHADUR SINGH  
SHRI SANGAM LAL GUPTA  
SHRI CHANDRA PRAKASH JOSHI  
SHRI MAHENDRA SINGH SOLANKY  
SHRI MANOJ TIWARI  
SHRI P.P. CHAUDHARY  
SHRI PRATAP CHANDRA SARANGI  
SHRI BRIJBHUSHAN SHARAN SINGH  
SHRI JAGDAMBIKA PAL:  
DR. (PROF.) KIRIT PREMJI BHAI SOLANKI

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

- (a) whether the Government has conducted studies to assess whether small businesses use induction furnaces or electric arc furnaces for making steel through Direct Reduced Iron (DRI) that requires thermal coal;
- (b) if so, the details thereof;
- (c) whether the Government has taken any steps to find alternative sources of power supply;
- (d) whether the Government maintains any data indicating the sources of power supply utilised by small businesses;
- (e) if so, the details thereof including alternatives to coal that are currently in use;
- (f) whether the Government proposes to promote alternative sources of power like solar and wind;
- (g) if so, the details thereof including timeline and targets for the same; and
- (h) if not, the reasons therefor?

**ANSWER**

**THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER**  
**(SHRI R.K. SINGH)**

(a) to (b): The coal based Direct Reduced Iron (DRI) producers require high grade non coking coal for reducing iron ore to produce DRI. The total production of DRI in the country in 2020-21 was 34.38 Million Tonnes. The coal based DRI producers account for around 82% of the total DRI production and mostly comprise of small and medium-sized enterprises (SMEs). DRI is also produced using natural gas (around 18% of the total production). Higher production of coal based DRI is due to non-availability of adequate Natural Gas for the iron & steel sector. The DRI so produced is used by the SME steel producers to produce steel using Induction Furnace and Electric Arc Furnaces.

(c) RE Sources are already supplementing the electricity generated from the conventional sources.

(d) & (e): No such data are maintained.

(f) to (h): In accordance with Hon'ble Prime Minister's announcement at COP26, Ministry of New and Renewable Energy is committed to achieving 500 GW of installed electricity capacity from non-fossil fuel sources by 2030.

A total of 152.90 GW of renewable energy capacity projects (including large hydro) has been installed in the country as on 28-2-2022. In addition, projects of 72.61 GW of RE capacity are under various stages of implementation.

The Government has taken several steps to promote renewable energy in the country These include :

- permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route,
- waiver of Inter State Transmission System (ISTS) charges for inter-state sale of solar and wind power for projects to be commissioned by 30<sup>th</sup> June 2025,
- declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2022,
- setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers on a plug and play basis,
- schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Solar Rooftop Phase II, 12000 MW CPSU Scheme Phase II, etc,
- laying of new transmission lines and creating new sub-station capacity under the Green Energy Corridor Scheme for evacuation of renewable power,
- notification of standards for deployment of solar photovoltaic system/devices,
- setting up of Project Development Cell for attracting and facilitating investments,
- Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects.
- Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.

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