

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 1648
ANSWERED ON 30/07/2025

POWER OFFTAKE AGREEMENTS

1648. ADV DEAN KURIAKOSE
SHRI BALWANT BASWANT WANKHADE
SHRI RAMASAHAYAM RAGHURAM REDDY

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

- (a) the details of renewable energy projects currently awaiting long-term power offtake agreements with state distribution utilities;
- (b) the steps being taken by the Government to address the reluctance or delays by state utilities in signing power purchase agreements which are impacting timely project implementation;
- (c) whether the Government has assessed the potential impact of this backlog on the annual renewable energy deployment target of 50 GW and the country's 2030 target and if so, the details thereof; and
- (d) whether the Government is considering reforms or incentives to ensure more reliable offtake mechanisms and payment security for renewable energy developers in view of persistent distribution company (DISCOM) losses and defaults and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI SHRIPAD YESSO NAIK)

(a) In respect of tenders issued by Renewable Energy Implementing Agencies (REIAs) namely Solar Energy Corporation of India Limited (SECI), NTPC Limited (NTPC), NHPC Limited (NHPC) and SJVN Limited (SJVN), as Intermediary Procurer, as on 30.06.2025, there is 43,922 MW of renewable power capacity for which Letters of Award (LoAs) have been issued by REIAs but Power Sale Agreements (PSAs) with End-Procurers have not been signed.

(b) Government has taken various positive steps to expedite the Power Sale Agreements (PSAs) which include impressing upon States for compliance of Renewable Consumption Obligation (RCO) under Energy Conservation Act, impressing upon REIAs to consider aggregating demand from DISCOMs/ other consumers and design products accordingly before inviting tenders, organizing regional workshops with major renewable energy-procuring States to address concerns and accelerate PSA signing, and amendment in Standard Bidding Guidelines for solar, wind, hybrid and FDRE (Firm & Dispatchable Renewable Energy) to provide for cancellation of LoA beyond 12 months from the LoA date.

(c) As a part of the Nationally Determined Contribution (NDC) submitted by India to the Secretariat of United Nations Framework Convention on Climate Change (UNFCCC), India has committed to achieve 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. India has achieved this target of having 50% of its cumulative electric power installed capacity from non-fossil fuel-based sources during June, 2025 i.e. five years ahead of our global commitment. As per Central Electricity Authority (CEA) reports, India's total installed electricity capacity as of 30th June, 2025 stands at 484.82 GW, of which non-fossil fuel based electricity capacity is 242.78 GW i.e. 50.08%. The 242.78 GW capacity from non-fossil fuel sources includes 116.25 GW solar energy, 51.67 GW wind energy, 11.60 GW bio energy, 54.48 GW hydro power, and 8.78 GW nuclear power capacity.

(d) Examination and suggestion on changes/reforms for success in PSA execution, including in respect of provisions pertaining to Payment Security Mechanism, is a continuous exercise.
