

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 1320
ANSWERED ON 27.07.2023

EXECUTION OF SOLAR AND WIND PROJECTS

1320. SHRI ANUMULA REVANTH REDDY

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

- (a) the specific details of the Government's plans and timeline to develop domestic manufacturing capacities for critical solar value chain raw materials to reduce dependency on foreign imports;
- (b) whether the Government has done an assessment of the current EPC (Engineering, Procurement and Construction) capabilities to execute solar and wind projects at a scale of 50s to 100s of GW per year in the country and if so, the details thereof;
- (c) the steps being taken to enhance and scale up this capacity;
- (d) whether the Government proposes to make financing more accessible and affordable for renewable energy projects, particularly for small and medium sized enterprises and rural areas; and
- (e) if so, the details thereof?

ANSWER

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

(a) To develop domestic manufacturing capacities for critical solar value chain raw materials and to reduce dependency on foreign imports, the Government has taken several steps, which inter-alia include:

(i) Production Linked Incentive Scheme: The Government of India is implementing the Production Linked Incentive (PLI) Scheme under National Programme on High Efficiency Solar PV Modules, for achieving domestic manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules, with an outlay of Rs. 24,000 crore. The Scheme is being implemented in two tranches. Tranche-I has an outlay of Rs. 4,500 crore, under which Letters of Award have been issued for setting up of 8,737 MW of fully integrated solar PV module manufacturing units. For Tranche-II with an outlay of Rs. 19,500 crore, Letters of Award have been issued for setting up of 39,600 MW of fully/ partially integrated solar PV module manufacturing units.

(ii) Domestic Content Requirement (DCR): Under some of the current schemes of the MNRE, namely CPSU Scheme Phase-II, PM-KUSUM Component B 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.

(iii) Preference to 'Make in India' in Public Procurement: Through implementation of 'Public Procurement (Preference to Make in India) Order', procurement and use of domestically manufactured solar PV modules has been mandated for Government/ Government entities.

(iv) Imposition of Basic Customs Duty on import of solar PV cells & modules: The Government has imposed Basic Customs Duty (BCD) on import of solar PV cells and modules, with effect from 01.04.2022.

(v) Discontinuation of Customs Duty Concessions: MNRE has discontinued issuance of Customs Duty Concession Certificates for import of material /equipment for initial setting up of solar PV power projects with effect from 02.02.2021.

(b) No, Sir. No such assessment has been carried out by Ministry of New & Renewable Energy (MNRE).

(c) on 31.03.2023, MNRE has announced Bidding Trajectory for Renewable Power capacity of 50 GW per annum, with at least 10 GW per annum of Wind Energy capacity, each year from FY 2023-24 to 2027-28. The creation of such large demand for Renewable Power is a catalyst for enhancement of the EPC (Engineering, Procurement and Construction) capabilities for execution of solar and wind projects.

(d) & (e) The steps taken by Government to make financing more accessible and affordable for renewable energy projects, including for small and medium sized enterprises and rural areas, inter-alia include the following:

(i) Non-Banking Financial Companies (NBFCs) in Power Sector i.e. Indian Renewable Energy Development Agency Limited (IREDA), Power Finance Corporation Limited (PFC), REC Limited (REC) are financing renewable energy projects.

(ii) Reserve Bank of India has included bank loans up to a limit of ₹30 crore to borrowers for purposes like solar based power generators, biomass-based power generators, wind mills, micro-hydel plants and for renewable energy based public utilities, viz., street lighting systems and remote village electrification etc. under Priority Sector Lending classification. For individual households, the loan limit is ₹10 lakh per borrower.
