



MNRE DECLARES GENERATION BASED INCENTIVE FOR THE FIRST TIME

50 MW SOLAR POWER PLANTS DURING 11TH FIVE-YEAR P

The Ministry of New and Renewable Energy launches a new scheme for installation of Megawatt Capacity Grid Interactive Solar Power Plants. During interaction with media today, Minister of State for New & Renewable Energy, Shri Vilas Muttemwar said the Ministry will provide financial assistance amounting to Rs.12 per KW hour in case of solar photovoltaic and Rs.10/KW hour in case of solar thermal power fed to the electricity grid.

50MW solar power plants have been considered for the 11th Five Year Plan period. A maximum of 10MW capacity in State will be considered under this scheme. It will be implemented through Indian Renewable Energy Development Agency (IREDA). The Private sectors will invest about Rs.1,000 crore as developers. The Ministry has decided to provide generation based incentive for grid interactive solar power generation for the first time. Under this project the Ministry will provide a generation based incentive of a maximum of Rs.12 per KWh for the electricity generated from Solar Photovoltaic and the maximum of Rs.10 per KWh for the electricity generated through Solar Thermal Power Plants and fed to the grid from a grid interactive solar power plant of a capacity of 1 MWp and above. Shri Muttemwar explained that this incentive will be provided to the project developers at a fix rate for a period of ten years. Mr. Muttemwar clarified that this incentive will be worked out taking into account the tariff provided by the utility to the solar power producer. The utilities are expected to purchase solar power at the rate provided by the utilities for medium term power purchase of the highest rate fixed by the State Electricity Regulatory Commission for purchase of power for any other renewable energy source.

Mr. Muttemwar said this programme will be limited to an aggregate installed capacity of 50MWp of Solar Power during the 11th Plan period. He also informed that each State will be allowed to set up upto 10MWp aggregate capacity under this programme. Additional investments of about Rs. 1000 crores is expected through this initiative from this private sector. The developers are expected to get land allotted from the State and will have to enter into PPA for seeking generation based incentive from IREDA who will approve the proposals on first come first serve basis. This scheme is also expected to increase the direct and indirect employment opportunities. On average each MW of solar manufacturing capacity is likely to produce 25 to 40 direct jobs and solar power plants are expected to create another 400 indirect jobs.