


SCHEME FOR EXPANSION OF RENEWABLE ENERGY
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The Government has been providing several concessions in the form of fiscal and financial incentives to encourage the use of renewable energy sources. These include capital/interest subsidy, accelerated depreciation, nil/concessional excise and customs duties. Further, as applicable to all new infrastructure projects, profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of project's operation. This apart, preferential tariff for grid interactive renewable power is being given in most potential States. Details of the Central Financial Assistance provided under various renewable energy schemes/ programmes are given in [Annexure](#).

Annexure.

CENTRAL FINANCIAL ASSISTANCE PROVIDED UNDER VARIOUS RENEWABLE ENERGY SCHEMES / PROGRAMMES

A. OFF-GRID RENEWABLE ENERGY PROGRAMMES:**B.**

S. No.	Scheme/ Programme	Central Financial Assistance provided
1.	<p>Remote Village Electrification:</p> <p>Electricity generation/ lighting systems for households in remote unelectrified census villages/ hamlets</p>	<p>90% of the cost of electricity generation systems subject to a pre-specified maximum amount for each technology and an overall ceiling of Rs.18,000 per household.</p> <p>100% cost of a single light SPV home lighting system for BPL households.</p>

2.	<p>Family Type Biogas Plants</p> <p>NE Region States including Sikkim (except plain areas of Assam)</p> <p>Plain areas of Assam</p> <p>J&K, Himachal Pradesh, Uttaranchal (excluding terai region), Nilgiris of Tamil Nadu, Sadar Kursoong and Kalimpong sub-divisions of Darjeeling, Sunderbans, A&N Islands</p> <p>Scheduled Caste, Scheduled Tribe desert districts, small and marginal farmers, landless labourers, terai region of Uttaranchal, Western Ghats and other notified hilly areas.</p> <p>All Others</p>	<p>Rs.11,700 per plant</p> <p>Rs.9,000 per plant</p> <p>Rs.4,500 per plant (limited to Rs.3,500 for 1cubic meter fixed dome type plant)</p> <p>Rs.3,500 per plant (limited to Rs. 2,800 for 1 cubic meter fixed dome type plant)</p> <p>Rs.2,700 per plant (limited to Rs. 2,100 for 1 cubic meter fixed dome type plant)</p>
3.	<p>Biomass Gasifiers for Rural Areas</p>	<p>Rs.1.50 lakh/100 kWe - for thermal and electro-mechanical applications (with dual fuel engine)</p> <p>Rs.15.00 lakh/100 kWe - for power generation upto 1MW (with 100% producer gas engine)</p> <p>20% higher subsidy for Special Category States & Islands</p>
S. No.	Scheme/ Programme	Central Financial Assistance provided
4.	<p>Biomass Gasifiers for Industrial Applications</p>	<p>Rs.2.00 lakh/300 kWe for thermal applications</p> <p>Rs.2.50 lakh/100 kWe with dual fuel engine</p> <p>Rs.10.00 lakh/100 kWe with 100% producer gas engine</p> <p>Rs.15.00 lakh/100 kWe with 100% producer gas engine in institutions</p>
5.	<p>Industrial Waste-to-Energy Plants</p>	<p>Rs.50.00 lakh to Rs.1.00 crore/ MWe, depending on technology.</p> <p>(20% higher subsidy for Special Category States)</p>
6.	<p>Solar Photovoltaic (SPV) Systems</p> <p>SPV lanterns</p> <p>SPV home lighting systems.</p> <p>SPV street lighting systems</p>	<p>Rs.2,400 for NE and special areas; nil for other.</p> <p>100% cost of one SPV lantern for school going girl child of BPL family during entire period of school study</p>

	<p>SPV standalone power plant of capacity > 1 kW_p</p> <p>SPV standalone power plant of capacity > 10 kW_p</p>	<p>school study</p> <p>Rs.4500 to 8,660 for NE and special areas, and</p> <p>Rs.2500 to 4,800 for general areas, as per model</p> <p>Rs.17,300 for NE and special areas</p> <p>Rs.9,600 for general areas</p> <p>Rs.2,25,000/kW_p for NE and special areas</p> <p>Rs.1,25,000/kW_p for general areas</p> <p>Rs.2,70,000/kW_p for NE and special areas</p> <p>Rs.1,50,000/kW_p for general areas</p>
7.	SPV Water Pumping Systems	Rs.30/W _p of SPV array used, subject to a maximum of Rs.50,000 per system.
8.	Small Aero-Generators and Hybrid Systems	<p>90% of ex-works cost or Rs.2.40 lakh/kW, whichever is less, in unelectrified islands</p> <p>75% of ex-works cost or Rs.2.00 lakh/kW, whichever is less, in other areas, for government/ community use.</p> <p>50% of ex-works cost or Rs.1.25 lakh/kW, whichever is less, for all other users.</p>
9.	Solar Thermal Systems/ Devices	<p><u>Box type cookers:</u></p> <p>Incentive to SNA:</p> <ul style="list-style-type: none"> - Rs.200 per cooker of ISI brand - Rs.100 per cooker of non-ISI brand <p>-Up to Rs.1.50lakh for publicity/workshops tc.</p> <ul style="list-style-type: none"> - Support to manufacturers: reimbursement of 50% fees for obtaining BIS approval.
S. No.	Scheme/ Programme	Central Financial Assistance provided
10.	<p>Solar Thermal Systems/ Devices</p> <p>(Continued)</p>	<p><u>Solar Water Heating systems:</u></p> <ul style="list-style-type: none"> - Subsidized Loan @ 2% to domestic users, 3% to institutions and 5% to community users plus Rs.100/square meter of collector area as incentive to motivator. -Capital subsidy @ Rs. 825/1100 per sq.m. to commercial establishments/ institutions. <p><u>Solar Air Heating/ Steam Generating Systems:</u></p>

		Capital subsidy @ 35-50% of the cost subject to certain ceilings. <u>Dish / community type solar cookers:</u> 30% of cost limited to Rs.1,500 for Dish type cookers and Rs.15,000 for Scheffler/ Community type cooker.
11.	Solar Photovoltaic (SPV) applications in Urban Areas: SPV streetlight control systems SPV street/public garden lights (74/75 W _p modules) SPV illuminated hoardings (with maximum 1kW _p SPV module) SPV road studs SPV blinkers (minimum 37 W _p module) SPV traffic signals (minimum 500 W _p module) SPV power packs (maximum 1 kW _p module)	25% of cost subject to a max. of Rs. 5000/- 50% of cost subject to a max. of Rs.10,000/- & Rs.12,000/- for 11 W and 18 W CFL respectively 50% cost subject to a max. of Rs.15,000/100 W _p module 50% of cost subject to a maximum Rs. 1000/- 50% of cost subject to a maximum Rs. 7,500/- 50% of cost subject to a maximum Rs.2.5 lakh 50% of cost subject to a maximum Rs. 1.00 lakh per kW _p
12.	Akshay Urja Shops	Subsidized loan @7% upto Rs.10 lakh and performance based grant & incentive up to Rs.10,000 per month.

B. GRID-INTERACTIVE RENEWABLE POWER PROGRAMMES:

S. No.	Projects Category	Central Financial Assistance provided	
		Special Category States (NE Region, Sikkim, J&K, HP and Uttaranchal)	Other States
1	Small Hydro Power Projects	Rs.2.25 crore X (C) ^{0.646}	Rs.1.50 crore X (C) ^{0.646}
2	Biomass PowerPprojects	Rs.25 lakh X (C) ^{0.646}	Rs.20 lakh X (C) ^{0.646}
3	Bagasse Co-generation	Rs.18 lakh X	Rs.15 lakh X (C) ^{0.646}

	generation Projects by private sector 40 bar & above	$(C)^{0.646}$	
4	Bagasse Co-generation Projects (by cooperative/public/joint sector) 40 bar & above 60 bar & above 80 bar & above	Rs.40 lakh/MW Rs.50 lakh/MW Rs.60 lakh/MW Limited to Rs.8 crore/project	Rs.40 lakh/MW Rs.50 lakh/MW Rs.60 lakh/MW Limited to Rs.8 crore/project
5	Biomass Power using Advanced Technologies	Rs.1.2 crore X $(C)^{0.646}$	Rs.1.0 crore X $(C)^{0.646}$
6	Wind Power projects	Rs.3.00 crore X $(C)^{0.646}$	Rs.2.50 crore X $(C)^{0.646}$

C: Capacity of the project in MW; ^: raised to the power

* For new sugar mills (which are yet to start production and sugar mills employing backpressure route/seasonal/incidental cogeneration) subsidies shall be one-half of the level mentioned above.

This information was given by the Minister of State in the Ministry of New and Renewable Sources, , Sh Vilas Muttemwar in a written reply to a question in the Rajya Sabha today.