



**Conditions in India favorable for an accelerated growth of wind energy sector:
Dr. Farooq Abdullah**

Union Minister for New and Renewable Energy, Dr. Farooq Abdullah has said that accelerated growth is expected in renewable energy, particularly wind energy sector with favorable conditions in terms of potential, technical support facilities, policy framework and regulatory environment, robust manufacturing base, and investors confidence in the country. Unveiling the Generation Based Incentive, GBI, for the wind power producers, he said, "We are here to unlock the locks" and assured help in every way possible to take the renewable energy sector forward. Delivering the inaugural address at the seminar on "Policy Incentives for Independent Power Producers and Investors for Wind and Biomass Power Generation" in New Delhi today, the Minister observed that India now ranks 5th in the world after USA, Germany, Spain and China with a wind power installed capacity of about 11,000 MW, but a lot more can be done. Dr Abdullah said that with the availability of better and efficient wind turbines suitable for our moderate wind regimes and increased infrastructure for power evacuation, the wind power potential of the country, presently estimated to be over 45,000 MW, could go up.

Emphasizing the need for proactive steps from both public as well as private sector, the Minister also called upon the private producers to make the best out of the opportunities coming their way.

Government has already initiated several measures to enable India to be a global leader in renewable energy, particularly in wind sector. These include the package of fiscal and financial incentives including concessions such as 80% accelerated depreciation, concessional custom duty, excise duty exemption, sales tax exemption, income tax exemption for 10 years, etc. In addition, State Electricity Regulatory Commissions are determining preferential tariffs for the electricity produced from renewable energy sources, including wind energy. Recently Central Electricity Regulatory Commission (CERC) has issued guidelines for tariff determination of renewable power including wind energy. In his address, Dr. Pramod Deo, Chairman, CERC, congratulated the Ministry of New & Renewable Energy for the incentives and expressed hope that these initiatives would catalyze the growth of renewable energy sector including wind power.

Speaking on the occasion, Secretary, MNRE, Shri Deepak Gupta called for maximising the utilisation of renewable energy sources for meeting our domestic energy demands, particularly in terms of reaching out to millions of households who do not have grid accessibility. He said that it was in view of the fact that in the last few years, the power scenario in the country has witnessed a qualitative change with the entry of independent power producers in the field of renewables also, that the Ministry has introduced a scheme of Generation Based Incentive for wind power producers. Under the scheme, a GBI @ Rs.0.50 per unit of electricity will be provided with an overall cap of Rs. 62 lakh per MW.

Shri Debashish Majumdar, Chairman & Managing Director, IREDA, gave a detailed presentation on GBI scheme.

The Director General, Independent Power Producers Association of India, IPPAI, Shri Harry Dhaul termed GBI as "a very positive step" taken by MNRE. It is good and extremely encouraging to see that the Renewable sector is finally emerging on its own and is going to play a much larger role in Indian power sector, he added.

The day long seminar organized by IPPAI, in coordination with MNRE, IREDA and UNDP aimed at providing the latest information on the upcoming MNRE incentives for potential

IPP's and Investors in the Renewable Energy sector including its initiatives for the development of the Renewable Energy Certificate (REC) Mechanism and promotion of biomass initiatives through sustained support and incentives and plans to increase the share of biomass in the country's energy portfolio in the next 10-15 years.

Wind energy has been the fastest growing renewable energy source in India. A cumulative capacity of around 11,000 MW has been set up so far. A target of 10,500 MW has been kept for 11th Plan.

In order to increase the investor base, the Ministry of New and Renewable Energy has announced a scheme for Generation Based Incentives of 50 paise per unit of electricity fed into the grid from wind power projects subject to a maximum of Rs. 62.00 lakh per MW. The GBI will be over and above the tariff fixed by the State Regulatory Commissions for purchase of electricity from wind power projects. Accelerated depreciation benefit would run simultaneously, till the end of 11th plan period or introduction of proposed Direct Tax Code, whichever is earlier, in a mutually exclusive manner. The benefit would also be available for captive wind power projects but not for third party sale. The prerequisites for maximizing early harnessing of wind potential viz. a robust manufacturing base, wind resource availability; regulatory framework and investor confidence are available. Hence such a policy framework to result in the necessary growth is imperative. A capacity of 4,000 MW is anticipated through GBI during the remaining period of the 11th Plan. It is hoped that the introduction of GBI scheme will take wind power development in the country to new heights.

Indian Renewable Energy Development Agency (IREDA) will implement the GBI scheme. The existing system followed by various state utilities for data collection of electricity generation for the purpose of disbursement of tariff would be followed with additional safeguards as the basis for disbursement of GBI. IREDA would create a comprehensive database of all the wind turbines; both availing the GBI as well as those availing Accelerated Depreciation. A registration process will be put in place for all the wind turbines, which would be a mandatory requirement for claiming the above incentives.