

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2204
ANSWERED ON 22.03.2022

INDIGENOUS TECHNOLOGY FOR RENEWABLE ENERGY SOURCES

2204#. DR. KIRODI LAL MEENA

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

- (a) whether any scheme is being run by Government to encourage local development and manufacturing of renewable energy technology including solar and wind mill technologies among other means;
- (b) if so, the details thereof and whether any incentives have been disbursed to common people;
- (c) whether the Ministry of New & Renewable Energy has achieved such development through its 'Make in India' campaign in collaboration with the Ministry of Finance; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF NEW & RENEWABLE ENERGY AND POWER

(SHRI R.K. SINGH)

(a)&(b) The Government has taken a number of initiatives for incentivising local development and manufacturing of renewable energy technologies, namely:

(i) Modified Special Incentive Package Scheme (M-SIPS) Scheme of Ministry of Electronics & Information Technology: The scheme mainly provides subsidy for capital expenditure – 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The Scheme was open to receive applications till 31st December, 2018. The Scheme inter-alia covers solar PV cells, solar PV modules, EVA, backsheet and solar glass.

(ii) Preference to 'Make in India' in Public Procurement in Renewable Energy Sector: Through implementation of 'Public Procurement (Preference to Make in India) Order', procurement and use of domestically manufactured solar PV modules and domestically manufactured solar inverters has been mandated for Govt/ Govt. entities.

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

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

(v) Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules: MNRE has issued the Scheme Guidelines for Production Linked Incentive Scheme ‘National Programme on High Efficiency Solar PV Modules’, with an outlay of Rs. 4,500 crores for supporting manufacturing of high efficiency solar PV modules by providing Production Linked Incentive (PLI) on sales of such solar PV modules. Letters of Award have been issued to the eligible successful bidders to the extent of funds allocated (i.e. the present scheme outlay of Rs. 4,500 crore). An additional outlay of Rs 19,500 crore has been announced in the Budget 2022-23 on 1st February 2022.

(vi). Incentives to domestic manufacturing in Wind sector: Government has put in place a system of Revised List of Models and Manufacturers, and only equipment manufactured by manufacturers in the list is allowed to be used for Wind Energy Projects. It also mandates that Hub and Nacelle assembly / manufacturing facility shall be in India. More than 70 percent of the equipment is manufactured in India.

(vii) ‘Renewable Energy Research and Technology Development Programme’ of Ministry of New & Renewable Energy (MNRE): The Ministry of New & Renewable Energy (MNRE) supports a scheme “Renewable Energy Research and Technology Development Programme” through various research institutions and industry to enable indigenous technology development and manufacture of new and renewable energy in the country. MNRE encourages research and technology development proposals in collaboration with the industry and provides upto 100% financial support to Government/non-profit research organizations and upto 50-70% to Industry, Start-ups, Private Institutes, Entrepreneurs and Manufacturing units. An amount of Rs. 62.47 crore has been spent in the last three years for this scheme. Year-wise break-up is as follows:

Year	Expenditure <i>Amount in Rs. crore</i>
2019-20	15.00
2020-21	36.47
2021-22	11.00

(c)&(d) In pursuance to “Make in India” campaign of Government of India, the Ministry of New & Renewable Energy (MNRE) vide its Order No. 283/22/2019-GRID SOLAR dated 09.02.2021 regarding Public Procurement (Preference to Make in India) in respect of Renewable Energy (RE) Sector, has issued List of items of goods and services with sufficient local capacity and competition. The said order dated 09.02.2021, inter-alia, prescribes that in public procurement of such goods and services pertaining to RE sector, only Class-I local supplier shall be eligible to bid. Class-I local supplier means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%.

The schemes / programmes pertaining to grant of financial incentives, listed in reply to (a) & (b) above, have been formulated in consultation with Ministry of Finance.
