

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2073
ANSWERED ON 18/03/2025

FINANCING FOR RENEWABLE ENERGY PROJECTS

2073. DR. SUMER SINGH SOLANKI

Will the Minister of *New and Renewable Energy* be pleased to state:

- (a) the manner in which Government plans to increase financing for renewable energy projects in the country, State-wise including Haryana;
- (b) the specific targets that the country has set for non-fossil power generation capacity by 2030; and
- (c) The ways in which industry executives expected to contribute to the discussions on green energy financing?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI SHRIPAD YESSO NAIK)

(a) Most of renewable energy projects in the country are being set up by private sector developers selected through a transparent bidding process. These developers arrange for finance on their own from various financial institutions. The Government of India formulates policies at the national level for uniform implementation across the country.

To increase investments in the Renewable Energy sector, the Ministry of New and Renewable Energy has been taking various policy initiatives and steps, which inter-alia includes:

- Notification of trajectory for RE power bids of 50 GW/annum to be issued by Renewable Energy Implementation Agencies from FY 2023-24 to FY 2027-28.
- Foreign Direct Investment (FDI) has been permitted up to 100 percent under the automatic route.
- Inter State Transmission System (ISTS) charges have been waived for inter-state sale of solar and wind power for projects to be commissioned by 30th June 2025, for Green Hydrogen Projects till December 2030 and for offshore wind projects till December 2032.
- Renewable Purchase Obligation (RPO) trajectory has been notified till 2029-30, including separate RPO for Decentralized Renewable Energy.
- Project Development Cell (PDC) for attracting and facilitating investments has been set up.
- Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar, Wind and Wind-Solar Projects have been issued.
- Schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), PM Surya Ghar Muft Bijli Yojana, National Programme on High Efficiency Solar PV Modules, National Green Hydrogen Mission, have been launched.
- Scheme for setting up of Ultra Mega Renewable Energy Parks is being implemented to provide land and transmission to RE developers for installation of RE projects at large scale.
- Laying of new transmission lines and creating new sub-station capacity has been funded under the Green Energy Corridor Scheme for evacuation of renewable power.

- Electricity (Rights of Consumers) Rules, 2020 has been issued for net-metering up to five hundred Kilowatt or up to the electrical sanctioned load, whichever is lower.
- “National Repowering and Life Extension Policy for Wind Power Projects, 2023” has been issued.
- “Strategy for Establishments of Offshore Wind Energy Projects” has been issued indicating a bidding trajectory of 37 GW by 2030 and various business models for project development.
- The Offshore Wind Energy Lease Rules, 2023 have been notified by Ministry of External Affairs, to regulate the grant of lease of offshore areas for development of offshore wind energy projects.
- Standard & Labelling (S&L) programs for Solar Photovoltaic modules and Grid-connected Solar Inverters have been launched.
- To augment transmission infrastructure needed for steep RE trajectory, transmission plan has been prepared till 2030.
- Green Energy Open Access Rules 2022 have been notified for promoting renewable energy.
- Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) has been launched to facilitate sale of Renewable Energy Power through exchanges.
- Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.

The Government has been facilitating the RE sector financing through:

- Providing scheme-based Central Financial Assistance (CFA)/Subsidies/Incentives as per the scheme guidelines, for enhancing the viability of projects based on RE technologies.
- Included Sovereign Green Bonds (SGrBs) in its overall market borrowings with the aim of mobilising resources for green infrastructure. The proceeds are deployed in public sector projects which help in reducing the carbon intensity of the economy. Adhering to the framework for sovereign green bonds that sets forth the obligations of the Government of India as a green bond issuer, the government has issued various lots of SGrBs of varying maturities of 5, 10 and 30 years. On the whole, SGrBs worth ₹16,000 crore were issued in FY23 and ₹20,000 crore in FY24.
- Infused ₹ 1,500 Crore as equity in IREDA in 2022, which has helped in enhanced lending to RE Sector. Further, recently IREDA has also successfully raised ₹2,150.21 crores through its IPO. The IPO proceeds towards fresh issue of ₹1290.13 Crores is envisaged for enhanced lending by IREDA.
- Announcement for introduction of Green Taxonomy for climate finance in budget 2024-25 for enhancing the availability of capital for climate adaptation and mitigation. This is expected to support achievement of the country’s climate commitments and green transition.
- Establishing Indian Renewable Energy Development Agency (IREDA) office in Gujarat’s GIFT City Office to finance renewable energy projects in foreign currency.
- Renewable Energy has been identified as one of the eight categories under priority sector under which bank loans up to ₹30 crore are eligible for priority sector classification. For individual households, the loan limit is ₹10 lakh per borrower.

During last 5 years, an estimated investment of ₹ 6274.6 Crores has been made in Renewable Energy projects in the State of Haryana.

Details about State-wise estimated investments made during last five (5) years, technology-wise and cost estimate/MW are annexed at **Annexure-A**.

(b) The Government has set a target of achieving 500 GW of non-fossil installed capacity by the year 2030.

(c) With the global commitment to reducing carbon emissions, the rapidly evolving market for green finance, and the increasing cost competitiveness of renewable technologies, green energy financing is poised to continue its expansion, offering significant growth opportunities for investors and stakeholders in RE space.

Industry executives contribute through active engagement with policymakers for favorable regulations / long term policies that encourage green financing and ease of doing business, presenting new financing mechanism, showcasing technological advances in RE technologies, addressing concerns around investment risks etc. aimed to accelerate RE deployment in the country.
