

# Renewable Energy Financing

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# What is Clean Technology?

- **While there is no standard definition, but it can be best described as:**  
"a diverse range of products, services, and processes that harness renewable materials and energy sources, dramatically reduce the use of natural resources, and cut or eliminate emissions and wastes."
- **Sectors of Applications:**
  - **Renewable Energy technologies**
  - **Environment Management**
  - **Technologies / processes to improve the energy efficiency in household / industrial sectors.**

## Interesting Facts

- 22.5% capacity addition during 10<sup>th</sup> Plan Period (2002 – 2007) was from RE.
- RE generation capacity is roughly equivalent to gas based power generation capacity.
- RE generation capacity 3 times that of Nuclear power generation capacity.

# Renewable Energy Drivers

- Access to energy
- Rising energy demand
- Energy security
- Climate change

# Policies for Renewable Power

## Existing Policy Provisions

- **Electricity Act 2003** mandates the SERCs to fix certain minimum percentages for purchase of renewable power in the area of each Distribution licensee.
- Twelve SERCs have so far fixed such percentages and which vary widely from near negligible to over 10%.

## Future Policy Direction

- Introduction of **Generation Based Incentives**.
- Introduction of **Tradable Tax Rebate Certificates**.
- Introduction of a mechanism for ensuring continuity and revision of **Renewable Purchase Obligations** - at the State level and ultimately at the national level

# RE Value Chain - Incentives

- **Manufacturing**
  - Capital subsidy ?
  - Interest subsidy?
  - Customs & Excise duties waiver?
- **Deployment**
  - Interest subsidy
  - Generation Based Incentives
- **Infrastructure ( Both for manufacturing & deployment)**

# Renewable Energy Market

- Renewable Energy Potential (Excluding Solar Power Plants) : ~ 85,000 MW
- Current Achievement : 12,500 MW
- XI Plan Target ( Excluding Solar Power Plants) : 14,000 MW
- Market Assessment for XI Plan (Considering extension of GBI \* for Wind and Solar Sectors) : ~ 20,000 MW
- Investment Required : Rs 1,25,000 Crores  
US\$ 26000 Million

\* Generation Based Incentive Scheme of Ministry of New and Renewable Energy

# Thank You

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