**9. RENEWABLE ENERGY**

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| **Highlights**   * Full electrification of 18,452 villages identified in 2015 will be achieved by 1 March 2018 under *Deendayal Upadhayaya Gram Jyoti Yojana* with allocation of Rs. 4,814 crore. * Budget 2017-18 has announced setting up of 20 GW of solar power capacity and feeding 7000 railway stations with solar power. * Budget has proposed to reduce Customs and Excise duties on a number of infrastructural support related to the Renewable Energy sector, such as machinery required for fuel based power generating systems that operate on biogas or bio-methane, byproduct  hydrogen along with LED lights or fixtures etc. |

Developing and harnessing renewable energy potential is critical towards meeting the enormous unmet demand for access to electricity and energy in the country. Despite significant additions to capacity generation over the past 60 years, demand for power has always exceeded the generation capacity augmentation. The conventional sources of energy are largely unsustainable, both in terms of economic sustainability as well as environmental sustainability. As opposed to these, renewable energy is economical, sustainable, and favorable to economic growth in the long-run. The focus of the government towards renewable sources of energy has increased in the recent years, with several initiatives being launched in this domain.

**9.1 Allocations for Union Ministry of New and Renewable Energy (MNRE)**

Considering the country’s commitments on climate change at COP21 Paris and the inherent benefits of renewable energy, the allocation for the nodal ministry is not adequate. The allocation for MNRE, which had increased to an all-time high in 2016-17 (RE) with an allocation of Rs. 12,401 crore, has declined in 2017-18 (BE) to Rs. 8,294 crore. This marks a decline of around 33 percent. The budgets for MNRE comprise Internal and Extra Budgetary Resources (IEBR) as well as Gross Budgetary Support (GBS). In 2017-18 (BE), both these components have seen a decline from 2016-17 (BE). What is also striking here is the significant decline in the Gross Budgetary Support for MNRE over the years from Rs. 1,089 crore in 2012-13 to merely Rs. 50 crore in 2017-18 (BE).

Table 9.1: Allocations for MNRE (in Rs. Crore)

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| --- | --- | --- |
| **Year** | **IEBR** | **GBS** |
| 2012-13 | 1089 | 1089 |
| 2013-14 | 2966 | 383 |
| 2014-15 | 3291 | 502 |
| 2015-16 | 6113 | 92 |
| 2016-17(BE) | 9193 | 100 |
| 2016-17(RE) | 12301 | 100 |
| 2017-18(BE) | 8244 | 50 |

*Notes:* GBS = Gross Budgetary Support; IEBR= Internal & Extra Budgetary Resources

*Source:* Compiled by CBGA from Union Budget documents, various years.

**9.2 Allocation for Schemes and Programmes under MNRE**

Within the overall allocations for MNRE, allocations for various programmes present a mixed picture. While there is a visible step towards eco-friendly renewable energy production through an increase of 30 percent in allocations for Grid Interactive Renewable Power, allocations for Research, Development and International Cooperation have declined from the level in 2016-17 (RE) to that in 2017-18 (BE). At the same time, there has been a 14 percent increase in allocations for Off Grid / Distributed and Decentralised Renewable Power in 2017-18 (BE) compared to the allocations in 2016-17 (RE).

**Table 9.2: Allocations for Programmes / Schemes under MNRE (in Rs. Crore)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Key Programmes/ Schemes** | **2012-13** | **2013-14** | **2014-15** | **2015-16** | **2016-17 (BE)** | **2016-17 (RE)** | **2017-18 (BE)** |
| 1. Grid interactive Renewable Power | 874 | 1133 | 1845 | 2468 | 3519 | 3091 | 4034 |
| 1. Off Grid / Distributed and Decentralised Renewable Power | 132 | 119 | 160 | 97 | 983 | 808 | 918 |
| 1. Research, Development & International Cooperation | 100 | 137 | 127 | 106 | 445 | 273 | 144 |

*Notes:* Figures include funds made available from National Clean Energy Fund

*Source:* Compiled by CBGA from Union Budget documents, various years.

The persistent decline in the Gross Budgetary Support for MNRE, coupled with decreases in the IEBR component, indicate a higher dependence on the private sector and non-governmental agencies for meeting the huge demands of the sector. The thrust to renewable energy sector is not accompanied by enhancing the outlays for the sector or by promoting public investment; rather these seem to be a combination of certain incentives extended to other players for investing in renewable energy sector in India.