

CABINET APPROVES LAUNCH KISAN URJA SURAKSHA EVAM UTTHAAN MAHABHIYAN

Relevant for: Indian Economy | Topic: Agriculture Issues and related constraints

Cabinet Committee on Economic Affairs (CCEA)

Cabinet approves launch Kisan Urja Suraksha evam Utthaan Mahabhiyan

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The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi has approved launch of Kisan Urja Suraksha evam Utthaan Mahabhiyan with the objective of providing financial and water security to farmers.

The proposed scheme consists of three components:

Component-A: 10,000 MW of Decentralized Ground Mounted Grid Connected Renewable Power Plants.

Component-B: Installation of 17.50 lakh standalone Solar Powered Agriculture Pumps.

Component-C: Solarisation of 10 Lakh Grid-connected Solar Powered Agriculture Pumps.

All three components combined, the scheme aims to add a solar capacity of 25,750 MW by 2022. The total central financial support provided under the scheme would be Rs. 34,422 crore.

The Component-A and Component-C will be implemented on pilot mode for 1000 MW capacity and one lakh grid connected agriculture pumps respectively and thereafter, will be scale-up on success of pilot run. Component-B will be implemented in full-fledged manner.

Under Component A, Renewable power plants of capacity 500 KW to 2 MW will be setup by individual farmers/ cooperatives/panchayats /farmer producer organisations (FPO) on their barren or cultivable lands. The power generated will be purchased by the DISCOMs at Feed in tariffs determined by respective SERC. The scheme will open a stable and continuous source of income to the rural land owners. Performance Based Incentives @ Rs. 0.40 per unit for five years to be provided to DISCOMs.

Under Component B, individual farmers will be supported to install standalone solar pumps of capacity up to 7.5 HP. Solar PV capacity in kW equal to the pump capacity in HP is allowed under the scheme.

Under Component C of the scheme, individual farmers will be supported to solarise pumps of capacity up to 7.5 HP. Solar PV capacity up to two times of pump capacity in kW is allowed under the scheme. The farmer will be able to use the generated energy to meet the irrigation needs and the excess available energy will be sold to DISCOM. This will help to create an avenue for extra income to the farmers, and for the States to meet their RPO targets.

For both Component-B and Component-C, central financial assistance (CFA) of 30% of the benchmark cost or the tender cost, whichever is lower, will be provided. The State Government

will give a subsidy of 30%; and the remaining 40% will be provided by the farmer. Bank finance may be made available for meeting 30% of the cost. The remaining 10% will be provided by the farmer. Higher CFA of 50% will be provided for North Eastern States, Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands.

The Scheme will have substantial environmental impact in terms of savings of CO2 emissions. All three components of the Scheme combined together are likely to result in saving of about 27 million tonnes of CO2 emission per annum. Further, Component-B of the Scheme on standalone solar pumps may result in saving of 1.2 billion liters of diesel per annum and associated savings in the foreign exchange due to reduction of import of crude oil.

The scheme has direct employment potential. Besides increasing self-employment the proposal is likely to generate employment opportunity equivalent to 6.31 lakh job years for skilled and unskilled workers.

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