

MISSION 500 GW BY 2030

Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

Under the guidance of Union Minister of Power and New & Renewable Energy, the Ministry of Power and New & Renewable Energy have issued revised guidelines providing for thermal generation companies to set up renewable energy generation capacity either by themselves through developers by open bids and supplying it to the consumers under the existing PPAs. This will enable the replacement of fossil fuel based energy by renewable energy under the existing PPAs. As the cost of renewable energy is less than the cost of Thermal energy, the gains from the bundling of renewable energy with thermal will be shared between the generator and Distribution companies/other procurers on a 50:50 basis. As the renewable energy will be balanced with thermal energy, therefore, the DISCOMs will now not need to acquire any separate capacity for balancing of renewable energy. This is a very significant step towards achieving the goal of 500 GW of non-fossil fuel capacity by 2030. The distribution companies will be able to count the renewable energy supplied under the scheme towards their renewable purchase obligation and this will be without the financial burden of separate PPA. This step by the Central Government will lead to a faster energy transition and will be beneficial for both the Generators and the Distribution Companies. Under the direction of the Hon'ble Minister of Power and New & Renewable Energy, the Ministry of Power and New & Renewable Energy are poised to take some additional steps for achieving 500 GW by 2030, for which orders are to be issued shortly.

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