



Invest India

NATIONAL INVESTMENT PROMOTION AGENCY

Promoting FDI in Renewable Energy: The Indian Experience in the Solar Sector

March 10, 2016 | New Delhi



1.

Overview

Make in India Programme: Four Pillars

New Sectors – Liberalized FDI Policy

- Opening of Rail infrastructure sector
- FDI cap raised in Defence and insurance
- Simpler norms of FDI in Construction
- Opening of medical devices sector

New Processes

- Ease of Doing Business
- De-licensing & Deregulation

New Infrastructure

- Industrial Corridors
- Industrial Clusters
- Smart Cities

New Mindset

- Dedicated team for assistance and handholding
- Focused targeting of companies across sectors

Make in India vision:

- ✓ Facilitate Investment
- ✓ Foster Innovation
- ✓ Protect IP
- ✓ Build Infrastructure



The background features a large, light gray gear on the left side and a sunburst-like pattern of light gray rays on the right side. A dark blue horizontal bar is at the top of the slide.

2.

Invest India

About Invest India

A “not-for-profit” Joint Venture

The official
investment
promotion
and
facilitation
agency of
India



DIPP, Ministry of
Commerce & Industry

State Governments



Federation of Indian
Chambers of Commerce and
Industry



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Pre –
Investment

Execution

Aftercare



3.

Key Government Initiatives

GoI Vision

- Intended Nationally Determined Contribution:
 - Reduce the emissions intensity of its GDP by **33-35%** by 2030 from the 2005 level;
 - Create additional Carbon Sink of **2.5 to 3** billion tonnes of CO₂ Equivalent
 - India's share of non-fossil fuel in the total installed capacity to be about **40%** by 2030
- Increase the renewable capacity target by more than **5 times**:
 - From 32 GW to **175 GW by 2022** (100 GW Solar, 60 GW Wind)
- **100 GW under JNNSM**: 40 GW rooftop, 60 GW through large and medium scale grid connected solar power projects.
 - Largest capacity expansion program in the world (**required invt: USD 100 bn**)

RE-Invest 2015: A call for global investments

- World's largest renewable energy investment meet & expo
- 118 exhibitors, 200 global investors and financiers, 202 speakers and 2500 delegates from 32 countries
- To provide a platform to the global investment community to connect with stakeholders in India
- To showcase India as an investment destination for RE and to encourage investors for setting up projects and manufacturing facilities
- Received 2.73 GW green commitments
 - 62 GW of manufacturing commitment
 - 70 GW of renewable finance commitment

Support for promoting FDI in Solar Sector

Centre

- 100% FDI through automatic route
- RE Projects included in Priority Sector Lending by banks
- PPAs standardized for JNNSM projects.
- Clean Energy Fund
- Feed-in-tariff; VGF; M-SIPS; AD; Tax holidays; Customs and excise exemptions

States

- RPOs strengthened.
- Land procurement made easier by many states.
- Net-metering schemes in most States.
- Must Run status for RE projects in most of the states
- Reduced VAT for RE in some states

Other

- **PACE Setter Fund:** India and US to set up an INR 500 million fund for clean energy to develop and test innovative products, systems and business models.
- Fund to support the PEACE (Promoting Energy Access Through Clean Energy) track.

Opportunities in Solar Sector

Solar Cities

- 56 solar city projects approved.

Solar Parks

- 27 parks with capacity more than 18000 MW.

Power for all by 2019

- 12,000 unelectrified villages.
- 2 trillion KW hrs by 2019
- Double the current production capacity

National Solar Mission

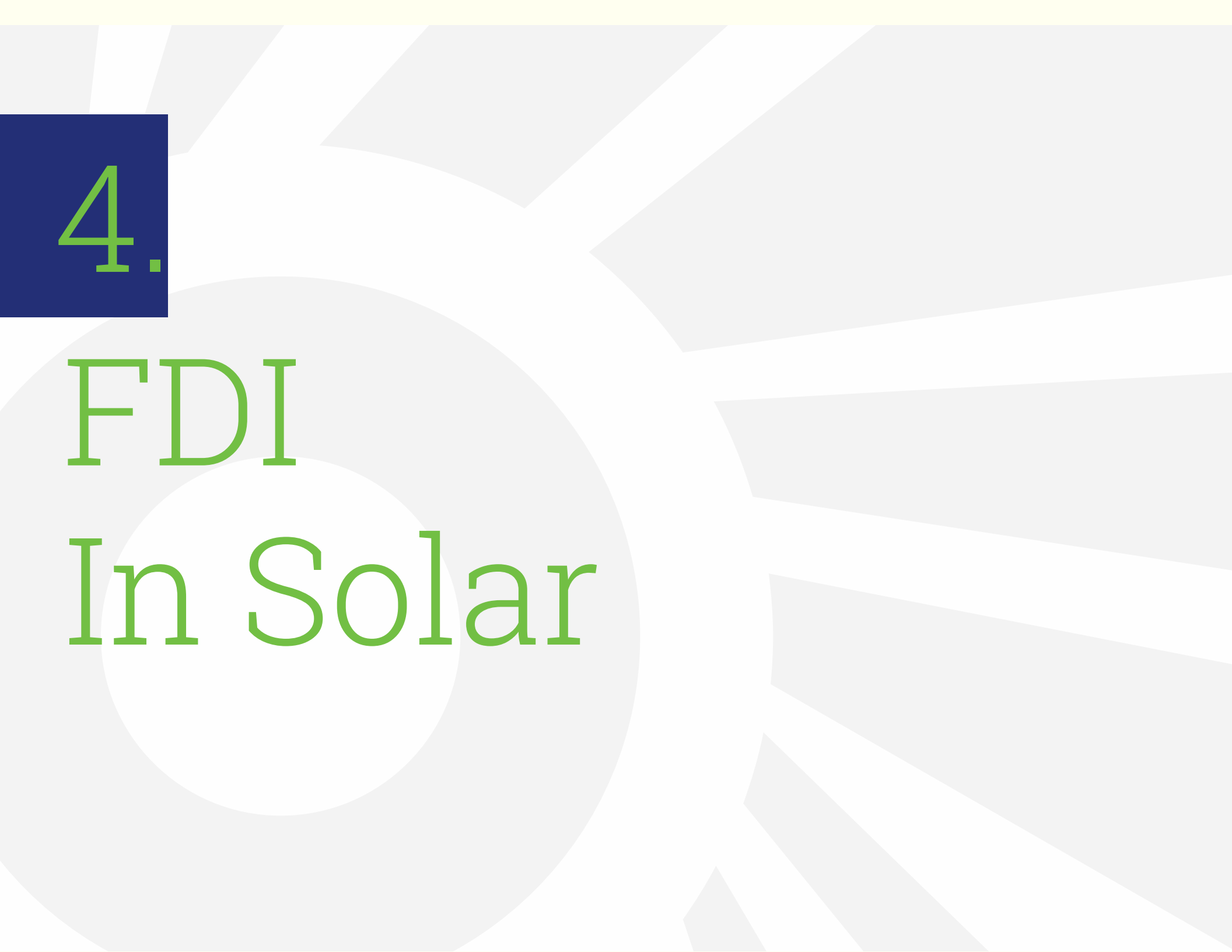
- 15 GW of grid connected Solar PV projects approved under NSM.

Solar Pumps

- 1 Lakh Solar Pumps for irrigation and drinking water.

Smart Cities

- 98 smart cities proposed.
- Energy Positive, 10% energy requirement for solar.

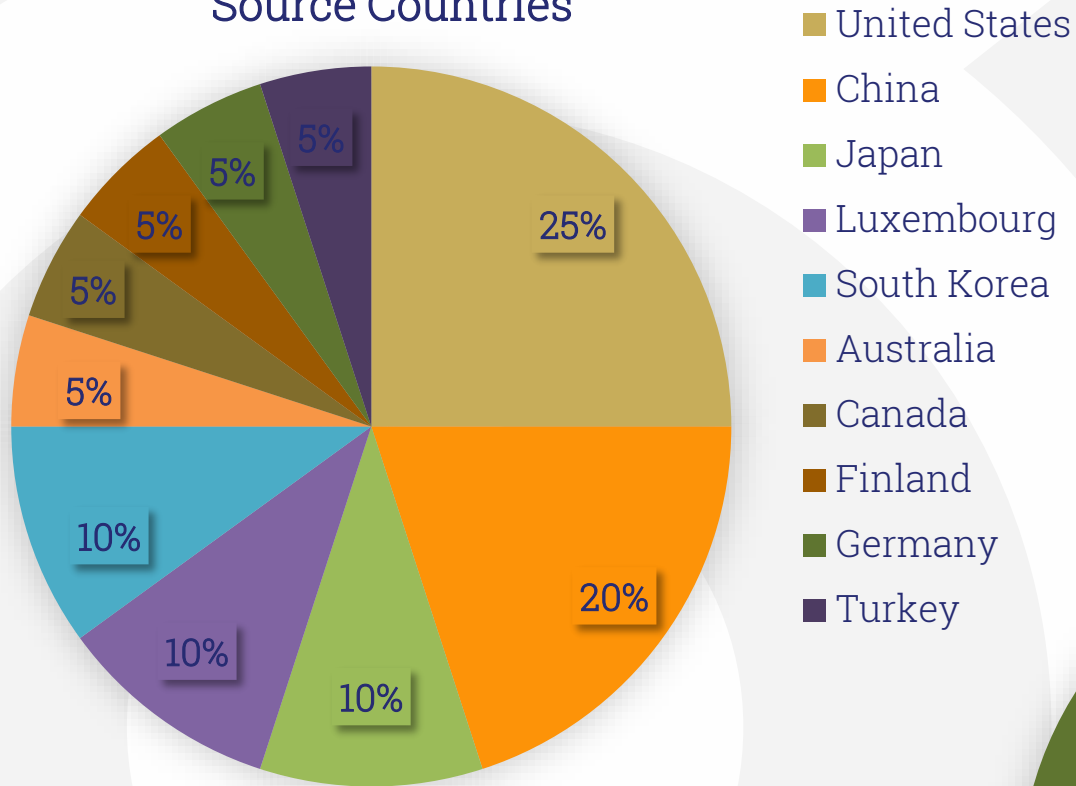
A stylized sun with a light gray circular center and a larger light gray ring. The sun's rays are represented by several long, thin, light gray triangular shapes radiating from the center. The background is white with a thin yellow horizontal bar at the top.

4.

FDI In Solar

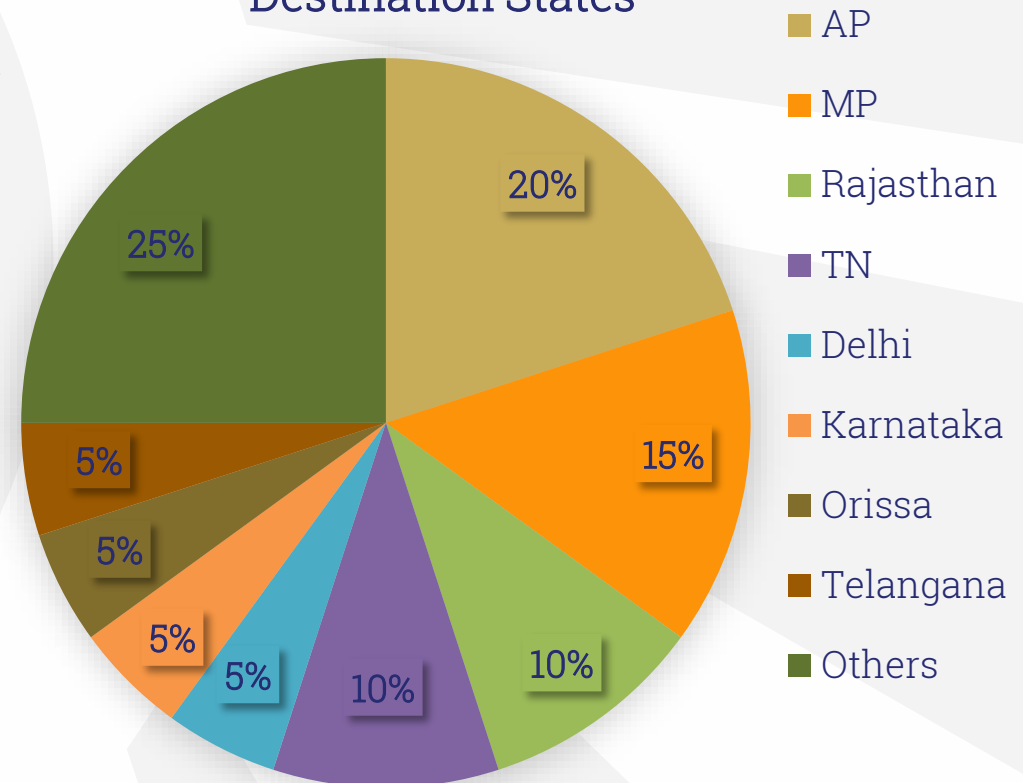
FDI in Solar: India Experience

Source Countries



Number of Projects: 20
(Oct 2014 - Dec 2015)

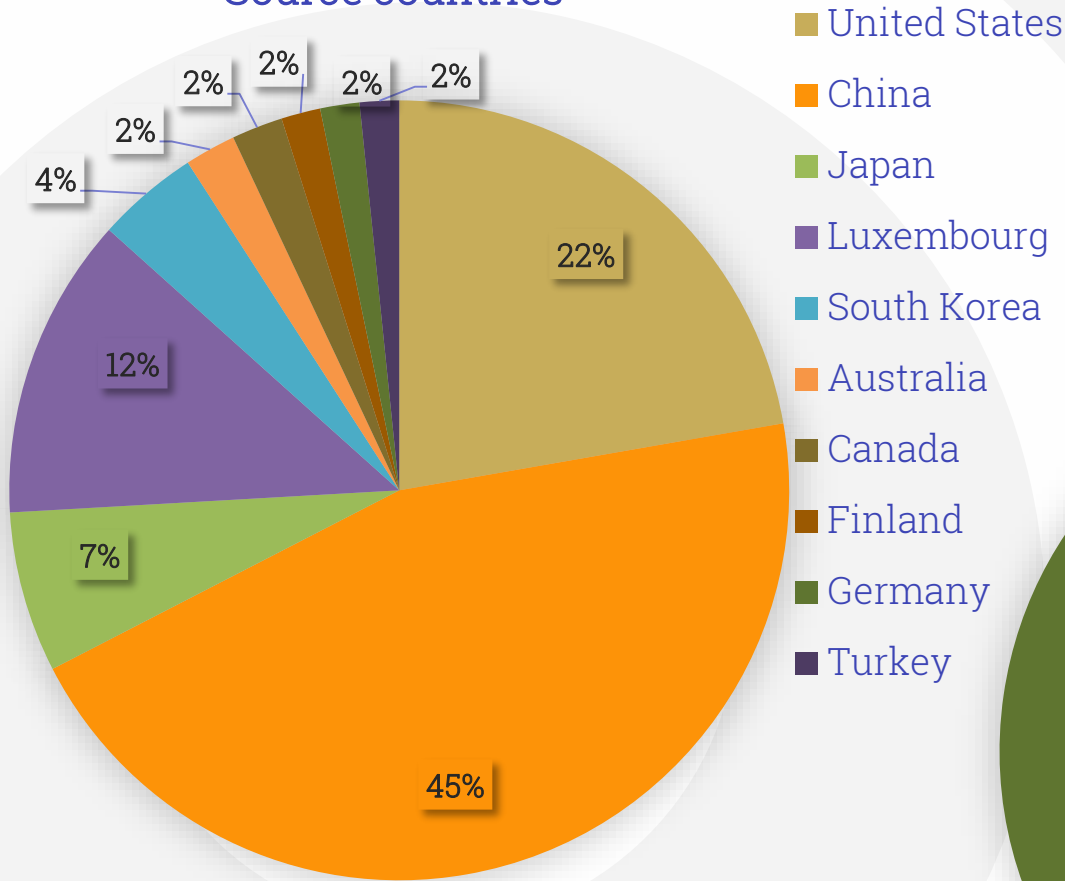
Destination States



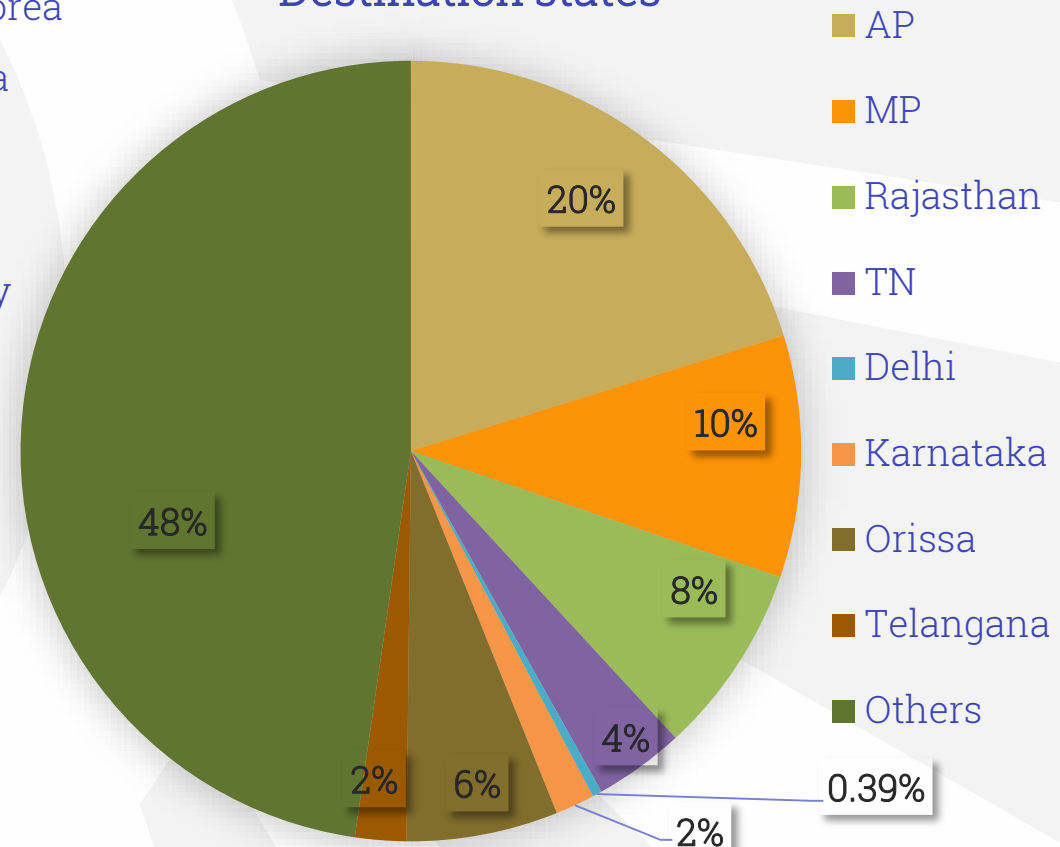
FDI in Solar: India Experience

Total CapEx = USD 5152 mn
(Oct 2014 - Dec 2015)

Source countries



Destination states



Recent Commitments

	SunEdison	Hilliard Energy	SBG Cleantech	JA Solar	Chint Group
Company			  		
Investment Amount (\$ bn)	15 + 2	0.6	20	2.2	1.6
Area	15 GW solar and wind - JV for manufacturing	1.2 GW Solar energy	20 GW solar power	Logistics & distribution centres	Solar manufacturing
Country	 USA	 USA	 Japan  Taiwan	 China	 China

5.

Case Study:

Invest India facilitation for
SANY Group

Company	India Investment Plan	Invest India Support	Key Outcomes
SANY Group   Interests: • Entering the Renewable Energy sector in India • Expansion in construction sector	• Commitment of USD 3. bn in wind energy generation in India • 500 MW renewable energy projects in AP • Prevent carbon emission of around 0.99 million tons per year • Partnering with State Power Investment Corporation (SPIC) to invest USD 4 bn for wind and solar power projects in AP	• Policy Guidance • Business Opportunity Identification For wind farms and turbine manufacturing • Location Assessment • Facilitation 49 meetings and 3 port visits over 12 cities across 11 states. • Key meetings: • Prime Minister of India • Minister of State, Coal, Power, New & Renewable Energy • Minister of Urban Development • Chief Ministers of Andhra Pradesh, Telangana and Chhattisgarh	• USD 8 bn in renewable energy. • 500 MW of wind energy park in AP. • MoUs with Andhra Pradesh to set up wind power projects (USD 4.8 bn) • MoU with Telangana for Prefab concrete manufacturing factory and dry ports • Creation of direct and indirect employment of 7500 persons



Thank You