Government Initiatives

Some initiatives by the Government of India to boost India's renewable energy sector are as follows:

- The Union Cabinet has approved the **Small Hydro Power (SHP) Development Scheme for 2026-31** with an outlay of **Rs. 2,584.60 crore** (**US$ 0.29 billion**), aimed at installing ~1,**500 MW** of capacity across states. The scheme focuses on decentralised renewable energy, particularly in hilly and North Eastern regions, and is expected to catalyse investments of around **Rs. 15,000.00 crore** (**US$ 1.70 billion**).
- The **Union Budget 2026-27** significantly strengthens India's renewable energy push, with the **Ministry of New and Renewable Energy (MNRE)** allocation reaching **Rs. 44,614.67 crore** (**US$ 5.05 billion**), reflecting a 40.52% increase over 2025-26 Budget Estimates of **Rs. 31,749.38 crore** (**US$ 3.75 billion**).
- The allocation for the **National Green Hydrogen Mission** has been retained at **Rs. 600 crore** (**US$ 67.90 million**) in the **Union Budget 2026-27**, indicating continued government support towards developing a domestic green hydrogen ecosystem. The sustained funding is expected to facilitate pilot projects, strengthen electrolyser manufacturing capacity, and promote research and innovation across the value chain.
- India's **Production Linked Incentive Scheme for High Efficiency Solar PV Modules (PLI)** has led to **18.5 GW** of module capacity, **9.7 GW** of solar cell capacity and **2.2 GW** of ingot-wafer capacity being established as of June 30, 2025. The program has awarded a total of **48 GW** of module manufacturing capacity.
- The government allocated **Rs. 19,500 crore** (**US$ 2.57 billion**) for a PLI scheme to boost manufacturing of high-efficiency solar modules.
- The Indian government's commitment to reaching net-zero emissions by 2070 and increasing its renewable energy target to **500 GW** by 2030 at the COP26 summit has provided great support to the industry and spurred unprecedented growth.
- Under the **PM Surya Ghar Muft Bijli Yojana**, the Government of India aims to install rooftop solar plants in **one crore households** by 2026-27. As of July 2025, around **16.51 lakh households** have already benefited from these installations, marking steady progress toward the target of expanding clean and affordable energy access.
- Under the Ministry's skill development programmes, **Suryamitra, Vayumitra, and Jal-urja Mitra**, over 31,829 local youth and technical workers have already been trained and placed.
- Under the scheme for the **Development of Solar Parks and Ultra-Mega Solar Power Projects**, eight solar parks with a cumulative capacity of 4,**248 MW** have been sanctioned in Madhya Pradesh, further advancing India's clean energy goals.
- Proposed solar cities and parks: The **Solar Park Scheme**, launched in December 2014, initially targeted 20,**000 MW** and was expanded to 40,**000 MW** by March 2017. By February 2025, 55 solar parks were approved across 13 states with a total sanctioned capacity of about 39,**958 MW**. Approximately 12,**396 MW** capacity has been installed in 24 parks, and 13,**896 MW** projects are operational in 26 parks. Among these, 18 parks (10,**856 MW**) are fully developed, and 8 parks (10,**043 MW**) are partially developed, with about 10,**756 MW** commissioned and another 3,**140 MW** running in partially developed parks.
- The government is supporting floating solar, canal-top solar, agrivoltaics, and renewable projects in tribal and remote regions. These efforts optimise land use and bring clean energy to under-served areas, driving inclusive and sustainable energy development.
- To strengthen grid reliability, the government launched a **Rs. 5,400 crore** (**US$ 616.23 million**) Viability Gap Funding scheme for **30 GWh** of **Battery Energy Storage Systems (BESS)**. This initiative is expected to attract investments worth **Rs. 33,000 crore** (**US$ 3.77 billion**) and support India's renewable energy integration.
- The **Ministry of New and Renewable Energy (MNRE)** has proposed the establishment of a 13,**000 MW** renewable energy (RE) capacity along with a 12,**000 MWh** Battery Energy Storage System (BESS) in Ladakh. On October 18, 2023, the Cabinet Committee on Economic Affairs approved the construction of an **Inter-**

State Transmission System (ISTS) to facilitate the power evacuation and grid integration of these RE projects in Ladakh.

- Government plans to invest **Rs. 9,12,000 crore** (**US$ 107.89 billion**) in power transmission infrastructure by 2032 to boost capacity and support growing electricity demand.
- As of January 2, 2024, the Government of India is implementing the **Production Linked Incentive (PLI) Scheme for the National Programme on High Efficiency Solar PV Modules**, aimed at achieving gigawatt-scale manufacturing capacity. Under Tranche-II, with a budget allocation of **Rs. 19,500 crore** (**US$ 2.35 billion**), Letters of Award were issued in April 2023 for the establishment of 39,**600 MW** of fully or partially integrated solar PV module manufacturing units.
- The **Pradhan Mantri Jaiv Indhan - Vatavaran Anukool Fasal Awashesh Nivaran (PM JI-VAN) Yojana**, amended in 2024, aims to provide financial support for advanced bioethanol projects using renewable feedstocks. Over **Rs. 908 crore** (**US$ 106.7 million**) has been approved for 2G bioethanol projects, including commercial-scale initiatives in Panipat, Haryana.
- On September 30, 2024, The Rajasthan government signed an MoU with NTPC Green Energy for 28,**500 MW** of renewable energy-based projects, as part of the total 31,**825 MW** of power generation projects worth **Rs. 1.6 lakh crore** (**US$ 19.18 billion**). This massive renewable energy investment is aimed at making Rajasthan self-reliant in the energy sector and significantly expanding the state's renewable power capacity.
- On November 9, Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman, approved the final **Sovereign Green Bonds framework of India**. The Paris Agreement's Nationally Determined Contribution (NDC) targets will be further strengthened by this approval, which will also aid in attracting foreign and domestic capital to green projects.