

# **Introduction to India's National Clean Energy Fund**



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# National Clean Energy Fund: Introduction

- In 2010-11 NCEF was created to invest in entrepreneurial ventures and research in the field of clean energy technologies.
- NCEF feeds from a cess on coal which was initially Rs 50 per tonne of coal and last year revised in July 2014 was revised to Rs 100 per tonne. Cess applies to imported coal also.
- The Fund has its secretariat in Plan Finance II Division, Department of Expenditure.
- An Inter Ministerial Group approves the projects/schemes eligible for financing, consisting of following member:
  - Finance Secretary-Chairperson;
  - Secretary (Expenditure);
  - Secretary (Revenue);
  - Principal Scientific Advisor to the Government of India;
  - Representative of Planning Commission;
  - Representatives of Ministry sponsoring the proposal and other Ministries concerned with that specific proposal.

# Introduction Contd

- NCEF was created for funding research and innovative projects in clean energy.
- The guidelines of NCEF were later streamlined to enlarge its scope to cover other eligible projects of MNRE being implemented under the flagship programmes.
- MNRE schemes now can be funded if balances are available with the NCEF after financing projects approved by Inter Ministerial group. This may be done with the approval of Finance Minister.
- Further , Finance Minister expanded the scope of NCEF and mentioned in the budget speech . *“ I propose to expand the scope of purposes of levying the said cess to include financing and promoting clean environment initiatives and funding research in the area of clean environment. To finance these additional initiatives, I propose to increase the Clean Energy Cess from ` 50 per tonne to ` 100 per tonne.”*

# Guidelines for Appraisal and Approval of projects

- **Kind of Projects Eligible:** Any project/scheme relating to Innovative methods to adopt to Clean Energy technology and Research & Development shall be eligible for funding.
- Funds would be available for a project;\_
  - i. Sponsored by a Ministry/Department of the Government; and
  - ii. Submitted by Individual/ consortium of organizations in the Government/public sector/private sector in the form of loan or viability gap funding, as the IMG deems fit on case to case basis. However, the participating organizations will have to put in a minimum financial commitment of 40%. The Government assistance under the NCEF shall in no case exceed 40% of the total project cost.
- The proposals for funding by Individuals/ consortiums are to be submitted to the concerned line Ministry first, which, after due consideration, brings it before IMG. In no case, shall the IMG be receiving proposals directly from individuals/consortiums for funding.
- Projects which are being funded by any other arm of the Government or have received grants from any other national/international body are ineligible.

# Guidelines Contd

- **Mode of Appraisal:** Appraised by IMG
- **Approval Mechanism**

Limit	Approval forum
< ` 150 crore	The Minister-in-charge of Ministry/Department
>= ` 150 crore and < ` 300 crore	The Minister-in-charge of Ministry/Department and Minister of Finance
>= ` 300 crore	CCEA

- A standard format for submission and evaluation of projects is designed by the IMG to receive proposals from various ministries of Government of India.
- IMG may seek assistance and views of technical experts in the area of clean energy to review, evaluate and recommend projects. To monitor progress of funded projects, the IMG appoints appropriate professional agencies.

# Time Required for Various Steps Under Appraisal

S. No.	Action	Time taken
1.	Preliminary examination of the proposal by administrative Ministry/Department and submission of a draft NCEF IMG memo for appraisal	Four weeks from the time of submission of the proposal to the Administrative Ministry
2.	Comments of Planning Commission, PF II, Division, DoE or any other Ministry/ Deptt. on the proposal forwarded by the Administrative Ministry	three weeks from the time of submission of the final documents by the Administrative Ministry
3.	Response by Administrative Ministry/Department on observations received and submission of final NCEF IMG memo to the IMG secretariat	Further two weeks
4.	Consideration and Final approval by IMG	Three weeks from the submission of the final NCEF IMG Memo along with necessary documents by the Administrative Ministry

# Details of Funds in NCEF

Year	Coal Cess Collected	Projects recommended by IMG to be financed from NCEF	No of Projects recommended by IMG
2010-2011	1,066.46	0.00	
2011-2012	2,579.55	566.50	9
2012-2013	3053.19	2715.11	6
2013-2014 (RE)	3,527.75	1029.66	12
Total	10,226.95		
2014-15 (BE)	6857.50	12000.00	19
Total		16,511.43	46

# Some of the Projects Recommended so Far

- So far projects worth Rs 16511.43 crore have been recommended for funding

**FY 2011-12**

<b>MNRE</b>	<b>SPV System in 6 States</b>	<b>85.88</b>
<b>MNRE</b>	<b>Refinancing through NABARD</b>	<b>46.80</b>
<b>MoE&amp;F</b>	<b>Remediation of Hazardous Waste Sites</b>	<b>60.00</b>
<b>MoE&amp;F</b>	<b>Green India Mission</b>	<b>200.00</b>
<b>MoP</b>	<b>Flue Gas based Aqua Ammonia Power Cycle</b>	<b>8.00</b>

**FY 2012-13**

<b>MNRE</b>	<b>Pilot grid connected Solar Thermal Power Projects under JNNSM</b>	<b>1020.00</b>
<b>MDWS</b>	<b>Solar Energy Based Dual Pump Piped Water Supply in 78 IAP Districts</b>	<b>221.30</b>

**FY 2013-14**

<b>MNRE</b>	<b>Installation of Solar Water Heating System, 20,000 Home Lighting System and 2,000 Solar Street Lights through NHB</b>	<b>104.70</b>
<b>MNRE</b>	<b>Assessment of wind Power Potential in 500 new stations</b>	<b>172.22</b>

**FY 2014-15**

<b>MNRE</b>	<b>Setting up 1000 MW of Grid-connected Solar PV Power Projects by Establishments of Ministry of Defence</b>	<b>1250.00</b>
<b>MNRE</b>	<b>Generation Based Incentive for grid connected wind power projects</b>	<b>741.00</b>
<b>MoHI &amp;PE</b>	<b>Solar PV Manufacturing Plant of BHEL</b>	<b>1092.22</b>



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