

Cabinet approves ₹75,000 cr rooftop solar subsidies

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NEW DELHI: The Union cabinet has approved ₹75,021 crore towards subsidies for installing solar power equipment on the rooftops of 10 million homes, an ambitious scheme that could result in substantial household savings as well as reduce the strain on electricity grids.

Under this scheme, called the PM Surya Ghar Muft Bijli Yojana, the government will provide a financial assistance, or subsidy, of ₹30,000 for installing solar power equipment of 1 kilowatt (kW).

For 2 kW and 3 kW rooftop systems, the subsidies will be ₹60,000 and ₹78,000, respectively.

Households covered by the scheme will be provided free electricity of up to 300 units a month from the grid, as well as access to collateral-free, low-interest loans for installing solar power equipment.

Currently, solar power constitutes about 17% of that overall power capacity in the country.

Solar power installations on 10 million households would result in an additional 30 GW of solar capacity across India, helping reduce emissions equivalent



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to 720 million tonnes of carbon dioxide over the 25-year lifetimes of these rooftop systems, according to the government.

The government will also develop a 'model solar village' in each district of the country to encourage adoption of rooftop solar power in rural areas, Union minister for information and broadcasting Anurag Thakur said after the cabinet meeting on Thursday.

Presenting the interim budget for FY25 on 1 February, Union finance minister Nirmala Sitharaman had said that the 10 million beneficiaries of the new scheme would be able to save ₹15,000-18,000 per year on their electricity bills.