



## India's Renewable Energy Growth Praised by IRENA

**For Prelims:** Low-cost finance for energy transition report, IRENA, IREDA, [green hydrogen](#), [Green bonds](#), [Sovereign Bonds](#)

For Mains: Achievements of India in renewable energy

### Why in News?

- A recent report called 'Low-cost finance for energy transition,' released by the [International Renewable Energy Agency \(IRENA\)](#), has recognized and praised India's outstanding progress in expanding its renewable energy capacity.
  - The report describes India's achievements as "unprecedented".

### What are the Key Highlights of the Report?

- **Unprecedented Growth in Renewable Energy Sector:**
  - **National Targets:**
    - India aims to **achieve 175 GW (100 GW from solar, 60 GW from wind)** of renewable energy capacity **by 2022** and **500 GW of non-fossil fuel capacity by 2030**.
    - **Net-zero Target:**
      - India aims to achieve **net-zero greenhouse gas** emissions by 2070, requiring an estimated \$10 trillion of investment.
  - **Renewable Energy Attractive Index:**
    - **India ranked third on the index in 2021**, showcasing its commitment to renewable energy development.
  - **Solar and Wind Power Base:**
    - India possesses the **fourth-largest solar and wind power** base globally, experiencing rapid growth.
  - **Supportive Policy Framework:**
    - The Indian government's comprehensive policies have effectively supported the achievement of national targets.
- **Praiseworthy role played by IREDA:**
  - **Financing Renewable Energy Projects:**
    - IREDA (Indian Renewable Energy Development Agency) has played a crucial role in commissioning approximately 20 GW of renewable energy capacity through financing to developers.
  - **Mobilizing Private Sector Capital:**
    - [Green bonds](#) attract private sector investment, reducing the cost of capital for green projects.
    - Overall green bond issuance in India has reached \$18.3 billion cumulatively, with a record issuance of \$7 billion in 2021
  - **Pioneering New Technologies:**
    - IREDA has promoted emerging technologies such as [battery energy storage](#)

[systems](#), [green hydrogen electrolyzers](#), [e-mobility](#), and [waste-to-energy](#) through innovative financing policies.

▪ **Supportive Government:**

◦ **Issuance of [Sovereign Bonds](#):**

- The Indian government's sovereign bond issuance aims to reduce supply from non-green bonds, lowering overall bond yields.

◦ **Investor Participation:**

- Local banks and insurance companies predominantly purchased the bonds, with some foreign bank involvement.

◦ **Regulatory Benefits:**

- **Green bond investments qualify towards** the Reserve Bank of India's **statutory liquidity ratio** and are classified as infrastructure investments by insurance companies.

◦ **Fully Accessible Route for Foreign Investors:**

- Investment in sovereign green bonds is categorized as specified securities, allowing unlimited investment by foreign investors.

## What is IRENA?

▪ **About:**

- It is an intergovernmental organisation, it was officially founded in Bonn, Germany, in January 2009.
- Currently it has 167 members, India is the 77th Founding Member of IRENA.
- It has its headquarters in Abu Dhabi, United Arab Emirates.

▪ **Major Functions:**

- It supports countries in their transition to a sustainable energy future, and serves as the principal platform for international cooperation, a centre of excellence, and a repository of policy, technology, resource and financial knowledge on renewable energy.
- It promotes the widespread adoption and sustainable use of all forms of renewable energy, including bioenergy, geothermal, hydropower, ocean, solar and wind energy in the pursuit of sustainable development, energy access, energy security and low-carbon economic growth and prosperity.

## What is IREDA?

- Indian Renewable Energy Development Agency Limited (IREDA) is a Mini Ratna (Category - I) Government of India Enterprise under the administrative control of Ministry of New and Renewable Energy (MNRE).
- IREDA is a Public Limited Government Company established as a Non-Banking Financial Institution in 1987 engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation
- The motto of the IREDA is "ENERGY FOR EVER".

## UPSC Civil Services Examination, Previous Year Question (PYQ)

### Prelims:

**With reference to the Indian Renewable Energy Development Agency Limited (IREDA), which of the following statements is/are correct? (2015)**

1. It is a Public Limited Government Company.
2. It is a Non-Banking Financial Company.

**Select the correct answer using the code given below:**

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**Ans: (c)**

**Exp:**

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- It is a Public Limited Government Company established as a Non-Banking Financial Institution in 1987 engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy.

Hence, statements 1 and 2 are correct.

**Mains:**

**Q.** India has immense potential of solar energy though there are regional variations in its developments. Elaborate **(2020)**

**Source: Th**

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