

Indian Renewable Energy Development Agency (IREDA)

January 24, 2022

In news– The Cabinet Committee on Economic Affairs has approved the equity infusion of Rs.1500 crore in Indian Renewable Energy Development Agency Limited (IREDA) recently.

Key updates-

- This equity infusion will help in employment generation of approximately 10200 jobs-year and CO2 equivalent emission reduction of approximately 7.49 Million Tonnes CO2/year.
- It will also enhance the specialized non-banking finance agency's net worth, which will help it in additional financing, thereby contributing better to the government's targets.
- At COP26 in Glasgow last November, Prime Minister Narendra Modi announced India's aim to achieve net-zero emissions by 2070 and also committed to achieving 500 GW of installed electricity capacity from non-fossil fuel sources by 2030.
- The country has installed electricity generation capacity of 392 GW, constituting 209 GW of coal and 104 GW of renewables.

About IREDA-

- 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.
- IREDA has been awarded **"Mini Ratna" (Category -I) status** in 2015 by the Ministry of New and Renewable Energy

(MNRE).

- IREDA's Motto is "**Energy for Ever**".
- It plays a catalytic role in the RE project financing which gives confidence to the FIs/banks to lend in the sector.
- It offers a credit enhancement guarantee scheme to support the issuance of bonds by wind and solar energy project developers.
- It aims to enhance the credit rating of bonds for renewable energy projects, thereby improving their marketability and liquidity, and attracting lower-cost and longer-term funding for project developers.
- The **amount raised by credit enhanced bonds shall only serve to repay existing debt partially or fully.**