



Agreement Signed with REC to Provide Assistance of 1000 Crores to Rewa Ultra Mega Solar Limited

Why In News?

- On January 14, 2023, an agreement was signed to provide **financial assistance of Rs 1000 crore by Rural Electrification Corporation (REC)** for renewable energy project to Rewa Ultra Mega Solar Limited.

Key points

- REC has also committed an amount of Rs 5000 crore to MP Discom to further strengthen distribution reforms. An MoU has been signed for this at the Global Investors Summit 2023.
- Apart from this, REC has also signed a financial assistance agreement of Rs 15,086 crore with Madhya Pradesh Power Management Company Limited.
- As per the agreement with RUMSL, REC has earmarked assistance of Rs 1000 crore for renewable energy projects covering infrastructure including development of renewable energy parks and projects, power distribution.
- Rewa Ultra Mega Solar Limited has been nominated as a solar park developer by the Ministry of New and Renewable Energy for developing large scale solar parks in Madhya Pradesh.
- This project has been considered as an important step to achieve the renewable energy goals of the state. The state aims to produce 20 percent of its electricity needed through renewable sources by FY 2024, 30 percent by FY27 and 50 percent by FY20.
- In addition, REC has also prepared a financing scheme for select state-owned power distribution companies in partnership with the World Bank. This will provide a total amount of financial assistance of USD 1 billion as a part of the REC-World Bank program.

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